

**UNITED STATES DISTRICT COURT
DISTRICT OF MASSACHUSETTS**

JUDITH GODINEZ, Individually and on
Behalf of All Others Similarly Situated,

Plaintiff,

v.

ALERE INC., RON ZWANZIGER,
NAMAL NAWANA, DAVID TEITEL,
JAMES F. HINRICHS, and CARLA R.
FLAKNE,

Defendants.

Case No.:

**CLASS ACTION COMPLAINT FOR
VIOLATIONS OF THE FEDERAL
SECURITIES LAWS**

JURY TRIAL DEMANDED

Plaintiff Judith Godinez (“Plaintiff”), by and through her attorneys, alleges the following upon information and belief, except as to those allegations concerning Plaintiff, which are alleged upon personal knowledge. Plaintiff’s information and belief is based upon, among other things, her counsel’s investigation, which includes without limitation: (a) review and analysis of regulatory filings made by Alere Inc. (“Alere” or the “Company”), with the United States (“U.S.”) Securities and Exchange Commission (“SEC”); (b) review and analysis of press releases and media reports issued by and disseminated by Alere; and (c) review of other publicly available information concerning Alere.

NATURE OF THE ACTION AND OVERVIEW

1. This is a class action on behalf of purchasers of Alere securities between May 9, 2013 and April 20, 2016, inclusive (the “Class Period”), seeking to pursue remedies under the Securities Exchange Act of 1934 (the “Exchange Act”).

2. Alere provides diagnostic tests for infectious disease, cardiometabolic disease, and toxicology. The Company’s stated goal is to make Alere products “accessible to more people around the world, even those located in remote and resource-limited areas, by making them affordable and usable in any setting.”

3. On February 1, 2016, the Company disclosed that it had entered into a merger agreement with Abbot Laboratories. On this news, Alere’s stock price shot up \$16.91, or more than 45%, to close at \$54.11 per share on February 1, 2016.

4. On February 26, 2016, after the market closed, the Company disclosed that it was unable to file its Annual Report on Form 10-K for the fiscal year ended December 31, 2015 within the prescribed time period without unreasonable effort or expense because the Company was “conducting an analysis of certain aspects of revenue recognition in Africa and China and

any potential implications on [the Company's] evaluation of internal controls over financial reporting for the year ended December 31, 2015.” The Company also stated, however, that its goal was still to file the Form 10-K within the fifteen-day extension period. The Company also disclosed that it had received a subpoena from the SEC on January 14, 2016 in connection with the previously disclosed formal SEC investigation which requested, among other things, “additional information related to sales of products and services to end-users in Africa, as well as revenue recognition relating to sales of products and services to end-users in Africa.”

5. On this news, shares of Alere fell \$0.48 per share to close on February 29, 2016, the next trading day, at \$53.30 per share.

6. On March 15, 2015, the company filed a current report on Form 8-K with the SEC. Therein, the Company disclosed that the Company would be unable to file its 2015 Form 10-K within the extension period because it was “continuing to conduct an analysis of certain aspects of the timing of revenue recognition, more specifically, revenue cutoff, in Africa and China for the years ended December 31, 2013, 2014 and 2015 (and each of the quarters in those annual periods).” The Company also disclosed that it “determined it was appropriate to expand its analysis of these aspects of the timing of revenue recognition in Africa and China to include the years ended December 31, 2013 and 2014 (and each of the quarters in those annual periods) and to determine whether a material weakness existed at December 31, 2015.” Finally, the Company disclosed that on March 11, 2016, the Company received a grand jury subpoena from the United States Department of Justice “requiring the production of documents relating to, among other things, sales, sales practices and dealings with third-parties (including distributors and foreign governmental officials) in Africa, Asia and Latin America and other matters related to the U.S. Foreign Corrupt Practices Act.”

7. On this news, Alere's stock price fell \$4.14 per share, or 9.2%, to close on March 15, 2016, at \$49.32 per share, on unusually heavy volume.

8. On April 20, 2016, the CEO of Abbott Laboratories, during the company's quarterly earnings conference call, was asked "on Alere, are you reaffirming your commitment to the transaction?" In response, the CEO would not affirm Abbott Laboratories' commitment to merge with Alere, stating:

I am going to be careful how I answer any questions about Alere, Mike, because as you know they've had delays filing their 10-K. We don't know when they'll file their proxy. We don't know when they're going to have a shareholder vote. So right now I'd say it's not appropriate for me to comment on Alere.

9. On this news, Alere's stock price fell \$6.11 per share, or 12.3%, to close at \$43.36 per share on April 20, 2016, on unusually heavy volume.

10. Throughout the Class Period, Defendants made false and/or misleading statements, as well as failed to disclose material adverse facts about the Company's business, operations, and prospects. Specifically, Defendants made false and/or misleading statements and/or failed to disclose: (1) that the Company improperly recognized and reported revenue in violation of Generally Accepted Accounting Principles ("GAAP"); (2) that, as a result, the Company's quarterly and annual SEC filings would be delayed; (3) that, as a result of the foregoing, the Company's planned merger with Abbott Laboratories would be thrown into doubt; (4) that the Company lacked adequate internal controls over accounting and financial reporting; and (5) that, as a result of the foregoing, the Company's financial statements, as well as Defendants' statements about Alere's business, operations, and prospects, were false and misleading and/or lacked a reasonable basis.

11. As a result of Defendants' wrongful acts and omissions, and the precipitous decline in the market value of the Company's securities, Plaintiff and other Class members have

suffered significant losses and damages.

JURISDICTION AND VENUE

12. The claims asserted herein arise under Sections 10(b) and 20(a) of the Exchange Act (15 U.S.C. §§ 78j(b) and 78t(a)) and Rule 10b-5 promulgated thereunder by the SEC (17 C.F.R. § 240.10b-5).

13. This Court has jurisdiction over the subject matter of this action pursuant to 28 U.S.C. §1331 and Section 27 of the Exchange Act (15 U.S.C. §78aa).

14. Venue is proper in this Judicial District pursuant to 28 U.S.C. § 1391(b) and Section 27 of the Exchange Act (15 U.S.C. § 78aa(c)). Substantial acts in furtherance of the alleged fraud or the effects of the fraud have occurred in this Judicial District. Many of the acts charged herein, including the dissemination of materially false and/or misleading information, occurred in substantial part in this Judicial District. In addition, the Company's principal executive offices are located within this Judicial District.

15. In connection with the acts, transactions, and conduct alleged herein, Defendants directly and indirectly used the means and instrumentalities of interstate commerce, including the United States mail, interstate telephone communications, and the facilities of a national securities exchange.

PARTIES

16. Plaintiff Judith Godinez, as set forth in the accompanying certification, incorporated by reference herein, purchased Alere common stock during the Class Period, and suffered damages as a result of the federal securities law violations and false and/or misleading statements and/or material omissions alleged herein.

17. Defendant Alere Inc. is a Delaware corporation with its principal executive

offices located at 51 Sawyer Road, Suite 200, Waltham, Massachusetts 02453.

18. Defendant Ron Zwanziger (“Zwanziger”) was, at all relevant times, Chief Executive Officer (“CEO”), President, and a Director of Alere until July 1, 2014.

19. Defendant Namal Nawana (“Nawana”) was, at all relevant times, Interim CEO of Alere from July 1, 2014 until October 25, 2014. At all relevant times after October 25, 2014, Nawana was CEO, President, and a Director of Alere.

20. Defendant David Teitel (“Teitel”) was, at all relevant times, Chief Financial Officer (“CFO”) of Alere until April 6, 2015, when he was replaced by James F. Hinrichs.

21. Defendant James F. Hinrichs (“Hinrichs”) was, at all relevant times, CFO of Alere beginning April 6, 2015.

22. Defendant Carla R. Flakne (“Flakne”) was, at all relevant times, Chief Accounting Officer (“CAO”) of Alere until March 31, 2016, when she was replaced by Jonathan Wygant.

23. Defendants Zwanziger, Nawana, Teitel, Hinrichs, and Flakne are collectively referred to hereinafter as the “Individual Defendants.” The Individual Defendants, because of their positions with the Company, possessed the power and authority to control the contents of Alere’s reports to the SEC, press releases and presentations to securities analysts, money and portfolio managers and institutional investors, *i.e.*, the market. Each defendant was provided with copies of the Company’s reports and press releases alleged herein to be misleading prior to, or shortly after, their issuance and had the ability and opportunity to prevent their issuance or cause them to be corrected. Because of their positions and access to material non-public information available to them, each of these defendants knew that the adverse facts specified herein had not been disclosed to, and were being concealed from, the public, and that the positive

representations which were being made were then materially false and/or misleading. The Individual Defendants are liable for the false statements pleaded herein, as those statements were each “group-published” information, the result of the collective actions of the Individual Defendants.

SUBSTANTIVE ALLEGATIONS

Background

24. Alere provides diagnostic tests for infectious disease, cardiometabolic disease, and toxicology. The Company’s stated goal is to make Alere products “accessible to more people around the world, even those located in remote and resource-limited areas, by making them affordable and usable in any setting.”

Materially False and Misleading Statements Issued During the Class Period

25. The Class Period begins on May 9, 2013. On that day, Alere issued a press release entitled, “Alere Inc. Announces First Quarter 2013 Results.” Therein, the Company, in relevant part, stated:

WALTHAM, MA...May 9, 2013...Alere Inc. (NYSE: **ALR**), a global leader in enabling individuals to take charge of their health at home through the merger of rapid diagnostics and health information solutions, today announced its financial results for the quarter ended March 31, 2013.

Ron Zwanziger, Chairman, Chief Executive Officer and President of Alere said, “I’m pleased to report another quarter of progress across the organization. With our company formation substantially complete, and the areas of pressure with Triage and Health Information Solutions showing signs of stability, we were able to take key steps to drive improved operating expense leverage in the first quarter.”

Zwanziger added, “Broad changes to healthcare systems in most major markets are driving increasing opportunities for Alere’s integrated offering. As we continue to combine new diagnostic platforms and services into an integrated, technology-based solution focused on the most expensive chronic conditions, we expect to benefit from these persistent and predictable global trends. Our unique

position to capitalize on the evolution of global healthcare, combined with a sustained focus on organic revenue growth, operating expense leverage and debt reduction over the next several years, should continue to engender increasing shareholder confidence in our company and our prospects for future success.”

Financial results for the first quarter of 2013:

- Net revenue of \$739.2 million for the first quarter of 2013, compared to \$671.1 million for the first quarter of 2012. Non-GAAP adjusted net revenue, which includes approximately \$0.6 million in estimated revenue related to acquired software license contracts not recognized for GAAP purposes for the first quarter of 2013 due to business combination accounting rules, was \$739.9 million for the first quarter of 2013, compared to \$672.4 million for the first quarter of 2012, which included \$1.3 million in estimated revenue related to acquired software license contracts not recognized for GAAP purposes.
- Net income of \$7.2 million attributable to common stockholders of Alere Inc., and respective net income per diluted common share of \$0.09, for the first quarter of 2013, compared to net loss of \$4.1 million attributable to common stockholders of Alere Inc., and respective net loss per diluted common share of \$0.05, for the first quarter of 2012.
- Non-GAAP adjusted net income per diluted common share of \$0.53 for the first quarter of 2013, compared to non-GAAP adjusted net income per diluted common share of \$0.77 for the first quarter of 2012.
- Net product and services revenue from our Professional Diagnostics segment was \$578.6 million in the first quarter of 2013, compared to net product and services revenue of \$515.4 million in the first quarter of 2012. Non-GAAP adjusted net product and services revenue from our Professional Diagnostics segment, which includes approximately \$0.6 million in estimated revenue related to acquired software license contracts not recognized for GAAP purposes for the first quarter of 2013 due to business combination accounting rules, was \$579.3 million in the first quarter of 2013, compared to non-GAAP adjusted net product and services revenue of \$516.7 million in the first quarter of 2012, which included \$1.3 million in estimated revenue related to acquired software license contracts not recognized for GAAP purposes. Recent professional diagnostics acquisitions contributed \$62.0 million of incremental net revenue compared to the first quarter of 2012.
- North American influenza sales increased to \$34.3 million for the first quarter of 2013, from \$6.6 million for the first quarter of 2012.
- Excluding the impact of the change in North American influenza revenues

and the impact on revenues from the reduction in our U.S. meter-based Triage product sales, currency adjusted organic growth in our Professional Diagnostics segment was 1.1%.

- Net product and services revenue from our Health Information Solutions segment was \$134.2 million in the first quarter of 2013, compared to \$130.8 million in the first quarter of 2012 and \$131.0 million in the fourth quarter of 2012. The increase in revenue from the first quarter of 2012 was related primarily to increased revenues from our home coagulation monitoring programs.
- Other income for the first quarter of 2012 includes \$13.5 million of a final royalty termination payment received from Quidel during the quarter, offset by \$2.3 million of other charges. Together, and net of tax, these other income items added approximately \$0.12 to our non-GAAP adjusted net income per diluted common share for the quarter.

The Company's GAAP results for the first quarter of 2013 exclude \$0.6 million of revenue associated with acquired software license contracts that are not recognized due to business combination accounting rules and include amortization of \$76.0 million, \$3.9 million of restructuring charges, \$4.1 million of stock-based compensation expense, \$0.9 million of acquisition-related costs recorded in accordance with ASC 805, *Business Combinations*, \$11.0 million of expense recorded for fair value adjustments to acquisition-related contingent consideration, \$1.0 million of interest expense recorded in connection with fees paid for certain debt modifications, \$0.7 million in compensation charges associated with acquisition-related contingent consideration obligations, a \$0.5 million charge associated with the write-up to fair market value of inventory acquired in connection with the acquisition of Epocal Inc. and \$0.2 million of expense associated with the extinguishment of debt. The Company's GAAP results for the first quarter of 2012 exclude \$1.3 million of revenue associated with acquired software license contracts that are not recognized due to business combination accounting rules and include amortization of \$78.1 million, \$5.6 million of restructuring charges, \$3.9 million of stock-based compensation expense, \$1.5 million of acquisition-related costs recorded in accordance with ASC 805, *Business Combinations*, \$5.0 million of income recorded for fair value adjustments to acquisition-related contingent consideration obligations, \$1.3 million of interest expense associated with fees paid for modification of certain debt agreements and a \$4.7 million charge associated with the write-up to fair market value of inventory acquired in connection with the acquisition of Axis-Shield plc. These amounts, net of tax, have been excluded from the non-GAAP adjusted net income per diluted common share attributable to Alere Inc. for the respective quarters.

Detailed reconciliations of the Company's non-GAAP adjusted operating income and non-GAAP adjusted net income available to common shareholders to

operating income and net loss available to common shareholders under GAAP, as well as a discussion regarding these non-GAAP financial measures, is included in the schedules to this press release.

26. On the same day, May 9, 2013, Alere filed its Quarterly Report with the SEC on Form 10-Q for the fiscal quarter ended March 31, 2013. The Company's Form 10-Q was signed by Defendant Teitel, and reiterated the Company's financial results announced in the Company's press release.

27. The Company's Form 10-Q contained certifications pursuant to the Sarbanes-Oxley Act of 2002 ("SOX"), signed by Defendant Zwanziger and Teitel, who certified:

1. I have reviewed this quarterly report on Form 10-Q of Alere Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

- (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of registrant's board of directors (or persons performing the equivalent functions):
- (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.
28. On July 31, 2013, Alere issued a press release entitled, "Alere Inc. Announces Second Quarter 2013 Results." Therein, the Company, in relevant part, stated:

WALTHAM, MA...July 31, 2013...Alere Inc. (NYSE: **ALR**), a global leader in enabling individuals to take charge of their health at home through the merger of rapid diagnostics and health information solutions, today announced its financial results for the quarter ended June 30, 2013.

Ron Zwanziger, Chairman, Chief Executive Officer and President of Alere said, "We are pleased to report a very strong quarter for Alere and continued progress against the three-point strategic plan that we implemented in November 2012. In particular, our currency adjusted organic growth rate for our professional diagnostics segment, excluding changes in our U.S. Triage and influenza revenues, was 8.6%, reflecting the strength of our highly-differentiated portfolio across the globe. In addition, our combined adjusted research and development and selling, general and administrative expenses decreased as a percentage of revenue by 230 basis points from the prior year quarter. Our growth rate in the

quarter, coupled with disciplined expense control, demonstrates our continued momentum and commitment to enhancing value for our shareholders.”

Financial results for the second quarter of 2013:

- Net revenue of \$764.0 million for the second quarter of 2013, compared to \$700.5 million for the second quarter of 2012. Non-GAAP adjusted net revenue was \$764.6 million for the second quarter of 2013, compared to \$701.6 million for the second quarter of 2012.
- Net loss of \$65.9 million attributable to common stockholders of Alere Inc., and respective net loss per diluted common share of \$0.81, for the second quarter of 2013, compared to net loss of \$18.2 million attributable to common stockholders of Alere Inc., and respective net loss per diluted common share of \$0.23, for the second quarter of 2012.
- Non-GAAP adjusted net income per diluted common share of \$0.64 for the second quarter of 2013, compared to non-GAAP adjusted net income per diluted common share of \$0.48 for the second quarter of 2012.
- Net product and services revenue from our Professional Diagnostics segment was \$599.6 million in the second quarter of 2013, compared to net product and services revenue of \$536.9 million in the second quarter of 2012. Non-GAAP adjusted net product and services revenue from our Professional Diagnostics segment was \$600.2 million in the second quarter of 2013, compared to non-GAAP adjusted net product and services revenue of \$538.0 million in the second quarter of 2012. Recent professional diagnostics acquisitions contributed \$47.4 million of incremental net revenue compared to the second quarter of 2012.
- North American influenza sales decreased to \$2.0 million for the second quarter of 2013, from \$4.2 million for the second quarter of 2012.
- Excluding the impact of the change in North American influenza revenues and the impact on revenues from the reduction in our U.S. meter-based Triage product sales, currency adjusted organic growth in our Professional Diagnostics segment was 8.6%.
- Net product and services revenue from our Health Information Solutions segment was \$134.8 million in the second quarter of 2013, compared to \$138.6 million in the second quarter of 2012 and \$134.2 million in the first quarter of 2013. Despite the decrease in revenue as compared to Q2 2012, Non-GAAP adjusted operating income increased to \$6.3 million in the second quarter of 2013 from \$3.0 million in the second quarter of 2012, as a result of a reduction in segment operating expenses, as compared to the prior year period.

The Company's GAAP results for the second quarter of 2013 exclude \$0.6 million of revenue associated with acquired software license contracts that are not recognized due to business combination accounting rules and include amortization of \$79.3 million, \$8.1 million of restructuring charges, \$4.7 million of stock-based compensation expense, \$0.4 million of acquisition-related costs recorded in accordance with ASC 805, *Business Combinations*, \$5.3 million of expense recorded for fair value adjustments to acquisition-related contingent consideration, \$0.8 million of interest expense recorded in connection with fees paid for certain debt modifications, \$0.5 million in compensation charges and \$0.2 million of related interest accretion associated with acquisition-related contingent consideration obligations, a \$0.7 million charge associated with the write-up to fair market value of inventory acquired in connection with the acquisition of Epocal Inc., \$35.6 million of expense associated with the extinguishment of debt and a \$5.1 million non-cash write-off of an investment, offset by a \$8.1 million bargain purchase gain in connection with our acquisition of the Liberty business. The Company's GAAP results for the second quarter of 2012 exclude \$1.1 million of revenue associated with acquired software license contracts that are not recognized due to business combination accounting rules and include amortization of \$81.7 million, \$1.4 million of restructuring charges, \$4.4 million of stock-based compensation expense, \$3.8 million of acquisition-related costs recorded in accordance with ASC 805, *Business Combinations*, and \$1.3 million of interest expense associated with fees paid for modification of certain debt agreements, offset by \$6.7 million of income recorded for fair value adjustments to acquisition-related contingent consideration obligations. These amounts, net of tax, have been excluded from the non-GAAP adjusted net income per diluted common share attributable to Alere Inc. for the respective quarters.

Detailed reconciliations of the non-GAAP financial measures presented in this release to the most directly comparable financial measures under GAAP, as well as a discussion regarding these non-GAAP financial measures, are included in the schedules to this press release.

29. On August 8, 2013, Alere filed its Quarterly Report with the SEC on Form 10-Q for the fiscal quarter ended June 30, 2013. The Company's Form 10-Q was signed by Defendant Teitel, and reaffirmed the Company's financial results previously announced on July 31, 2013. The Form 10-Q contained certifications pursuant to SOX, signed by Defendants Zwanziger and Teitel, substantially similar to the certifications described in ¶27, *supra*.

30. On October 29, 2013, Alere issued a press release entitled, "Alere Inc. Announces Third Quarter 2013 Results." Therein, the Company, in relevant part, stated:

WALTHAM, MA...October 29, 2013...Alere Inc. (NYSE: **ALR**), a global leader in enabling individuals to take charge of their health at home through the merger of rapid diagnostics and health information solutions, today announced its financial results for the quarter ended September 30, 2013.

Ron Zwanziger, Chairman, Chief Executive Officer and President of Alere said, “We are pleased to report a very strong quarter for Alere. The combination of continued excellent organic growth, coupled with good expense control, demonstrates our continued momentum and commitment to enhancing value for our shareholders and delivering against the three-point strategic plan that we implemented in November 2012.”

Financial results for the third quarter of 2013:

- Net revenue of \$753.9 million for the third quarter of 2013, compared to \$691.4 million for the third quarter of 2012. Non-GAAP adjusted net revenue was \$754.4 million for the third quarter of 2013, compared to \$692.3 million for the third quarter of 2012.
- Net loss of \$24.8 million attributable to common stockholders of Alere Inc., and respective net loss per diluted common share of \$0.30, for the third quarter of 2013, compared to net loss of \$9.2 million attributable to common stockholders of Alere Inc., and respective net loss per diluted common share of \$0.11, for the third quarter of 2012.
- Non-GAAP adjusted net income per diluted common share of \$0.59 for the third quarter of 2013, compared to non-GAAP adjusted net income per diluted common share of \$0.43 for the third quarter of 2012.
- Net product and services revenue from our Professional Diagnostics segment was \$587.3 million in the third quarter of 2013, compared to net product and services revenue of \$528.8 million in the third quarter of 2012. Non-GAAP adjusted net product and services revenue from our Professional Diagnostics segment was \$587.8 million in the third quarter of 2013, compared to non-GAAP adjusted net product and services revenue of \$529.7 million in the third quarter of 2012. Recent professional diagnostics acquisitions contributed \$30.6 million of incremental net revenue compared to the third quarter of 2012, offset by a reduction in revenue of \$2.3 million related to dispositions in the quarter.
- North American influenza sales increased to \$18.3 million for the third quarter of 2013, from \$9.9 million for the third quarter of 2012.
- Excluding the impact of the change in North American influenza revenues and the impact on revenues from the reduction in our U.S. meter-based Triage product sales, currency adjusted organic growth in our Professional

Diagnostics segment was 9.1%.

- Net product and services revenue from our Health Information Solutions segment was \$134.2 million in the third quarter of 2013, compared to \$135.1 million in the third quarter of 2012 and \$134.8 million in the second quarter of 2013.
- Included in interest and other income (expense), net is a provision of \$5.0 million to reflect an estimate of the settlement or litigation costs which we may incur associated with an ongoing dispute with a customer in our U.S. toxicology business.

The Company's GAAP results for the third quarter of 2013 exclude \$0.5 million of revenue associated with acquired software license contracts that are not recognized due to business combination accounting rules and include amortization of \$82.4 million, \$7.8 million of restructuring charges, \$5.7 million of stock-based compensation expense, \$0.5 million of acquisition-related costs recorded in accordance with ASC 805, *Business Combinations*, \$2.7 million of expense recorded for fair value adjustments to acquisition-related contingent consideration, \$0.4 million of interest expense recorded in connection with fees paid for certain debt modifications, \$0.8 million in compensation charges and \$0.1 million of related interest accretion associated with acquisition-related contingent consideration obligations, a \$0.7 million charge associated with the write-up to fair market value of inventory acquired in connection with the acquisition of Epocal Inc., \$5.5 million of costs associated with the proxy contest, a \$5.9 million loss associated with the disposition of our Spinreact, S.A. subsidiary located in Spain and a \$0.04 million adjustment to the bargain purchase gain in connection with our acquisition of the Liberty business. The Company's GAAP results for the third quarter of 2012 exclude \$0.9 million of revenue associated with acquired software license contracts that are not recognized due to business combination accounting rules and include amortization of \$83.1 million, \$3.3 million of restructuring charges, \$3.6 million of stock-based compensation expense, \$0.8 million of acquisition-related costs recorded in accordance with ASC 805, *Business Combinations*, and \$1.3 million of interest expense associated with fees paid for modification of certain debt agreements, offset by \$15.1 million of income recorded for fair value adjustments to acquisition-related contingent consideration obligations. These amounts, net of tax, have been excluded from the non-GAAP adjusted net income per diluted common share attributable to Alere Inc. for the respective quarters.

Detailed reconciliations of the non-GAAP financial measures presented in this release to the most directly comparable financial measures under GAAP, as well as a discussion regarding these non-GAAP financial measures, are included in the schedules to this press release.

31. On November 5, 2013, Alere filed its Quarterly Report with the SEC on Form 10-

Q for the fiscal quarter ended September 30, 2013. The Company's Form 10-Q was signed by Defendant Teitel, and reaffirmed the Company's financial results previously announced on October 29, 2013. The Form 10-Q contained certifications pursuant to SOX, signed by Defendants Zwanziger and Teitel, substantially similar to the certifications described in ¶27, *supra*.

32. On February 6, 2014, Alere issued a press release entitled, "Alere Inc. Announces Fourth Quarter 2013 Results." Therein, the Company, in relevant part, stated:

WALTHAM, MA...February 6, 2014...Alere Inc. (NYSE: ALR), a global leader in enabling individuals to take charge of their health at home through the merger of rapid diagnostics and health information solutions, today announced its financial results for the quarter ended December 31, 2013.

Ron Zwanziger, Chairman, Chief Executive Officer and President of Alere said, "Our strong fourth quarter results complete a very successful year for Alere. Our focus on organic growth, expense control and value creation for our shareholders positions us well for continued improvements in 2014 and beyond."

Financial results for the fourth quarter of 2013:

- Net revenue of \$772.3 million for the fourth quarter of 2013, compared to \$755.8 million for the fourth quarter of 2012. Non-GAAP adjusted net revenue was \$772.8 million for the fourth quarter of 2013, compared to \$756.5 million for the fourth quarter of 2012.
- Net loss of \$9.1 million attributable to common stockholders of Alere Inc., and respective net loss per diluted common share of \$0.11, for the fourth quarter of 2013, compared to net loss of \$68.0 million attributable to common stockholders of Alere Inc., and respective net loss per diluted common share of \$0.84, for the fourth quarter of 2012.
- Non-GAAP adjusted net income per diluted common share of \$0.68 for the fourth quarter of 2013, compared to non-GAAP adjusted net income per diluted common share of \$0.55 for the fourth quarter of 2012.
- Net product and services revenue from our Professional Diagnostics segment was \$600.7 million in the fourth quarter of 2013, compared to net product and services revenue of \$584.1 million in the fourth quarter of 2012. Non-GAAP adjusted net product and services revenue from our Professional Diagnostics segment was \$601.1 million in the fourth quarter

of 2013, compared to non-GAAP adjusted net product and services revenue of \$584.9 million in the fourth quarter of 2012. Recent professional diagnostics acquisitions contributed \$27.2 million of incremental net revenue compared to the fourth quarter of 2012, offset by a reduction in revenue of \$6.3 million related to dispositions in the quarter.

- North American influenza sales decreased to \$20.9 million for the fourth quarter of 2013, from \$23.0 million for the fourth quarter of 2012.
- Excluding the impact of the change in North American influenza revenues and the impact on revenues from the reduction in our U.S. meter-based Triage product sales, currency adjusted organic growth in our Professional Diagnostics segment was 2.0%. This growth rate was adversely impacted by the change in reimbursement rates which became effective on July 1, 2013 for our U.S. mail order diabetes business. Excluding revenues from our U.S. mail order diabetes business and considering the flu and Triage adjustments, the currency adjusted organic growth rate for the quarter was 5.2% for the remainder of our Professional Diagnostics segment.
- Net product and services revenue from our Health Information Solutions segment was \$130.0 million in the fourth quarter of 2013, compared to \$131.0 million in the fourth quarter of 2012 and \$134.2 million in the third quarter of 2013.
- Included in royalty revenues in the fourth quarter of 2013 was \$8.5 million associated with the license of certain of our molecular intellectual property, compared with \$11.0 million during the fourth quarter of 2012.
- Included in interest and other income (expense), is an incremental provision of \$4.5 million to reflect an estimate of the settlement or litigation costs, which we may incur associated with an ongoing dispute with a customer in our U.S. toxicology business during the fourth quarter of 2013, and a charge of a \$3.9 million associated with the settlement of a prior year dispute with a former distributor during the fourth quarter of 2012.

The Company's GAAP results for the fourth quarter of 2013 exclude \$0.5 million of revenue associated with acquired software license contracts that are not recognized due to business combination accounting rules and include amortization of \$81.4 million, \$7.8 million of restructuring charges, \$6.7 million of stock-based compensation expense, \$1.3 million of acquisition-related costs recorded in accordance with ASC 805, *Business Combinations*, \$6.1 million of costs associated with potential business dispositions, \$0.4 million of interest expense recorded in connection with fees paid for certain debt modifications, \$0.8 million in compensation charges and \$0.1 million of related interest accretion associated with acquisition-related contingent consideration obligations, a \$0.6

million charge associated with the write-up to fair market value of inventory acquired in connection with the acquisition of Epocal Inc., \$0.1 million of costs associated with the proxy contest, offset by an \$0.8 million reduction in the loss on disposition of our Spinreact, S.A. subsidiary located in Spain, and \$1.0 million of income recorded for fair value adjustments to acquisition-related contingent consideration. The Company's GAAP results for the fourth quarter of 2012 exclude \$0.8 million of revenue associated with acquired software license contracts that are not recognized due to business combination accounting rules and include amortization of \$105.1 million, \$10.3 million of restructuring charges, \$3.8 million of stock-based compensation expense, \$3.6 million of acquisition-related costs recorded in accordance with ASC 805, *Business Combinations*, \$10.2 million of expense recorded for fair value adjustments to acquisition-related contingent consideration, \$1.0 million of interest expense recorded in connection with fees paid for certain debt modifications, and \$23.2 million of expense associated with the extinguishment of debt. These amounts, net of tax, have been excluded from the non-GAAP adjusted net income per diluted common share attributable to Alere Inc. for the respective quarters.

Detailed reconciliations of the non-GAAP financial measures presented in this release to the most directly comparable financial measures under GAAP, as well as a discussion regarding these non-GAAP financial measures, are included in the schedules to this press release.

33. On March 3, 2014, Alere filed its Annual Report with the SEC on Form 10-K for the fiscal year ended December 31, 2013. The Company's Form 10-K was signed by Defendant Zwanziger, and reaffirmed the Company's financial results previously announced on February 6, 2014. The Form 10-K contained certifications pursuant to SOX, signed by Defendants Zwanziger and Teitel, substantially similar to the certifications described in ¶27, *supra*.

34. April 29, 2014, Alere issued a press release entitled, "Alere Inc. Announces First Quarter 2014 Results." Therein, the Company, in relevant part, stated:

WALTHAM, MA...April 29, 2014...Alere Inc. (NYSE: ALR), a global leader in enabling individuals to take charge of their health at home through the merger of rapid diagnostics and health information solutions, today announced its financial results for the quarter ended March 31, 2014.

Ron Zwanziger, Chairman, Chief Executive Officer and President of Alere said, "Despite a difficult quarter from a revenue perspective, principally related to weak U.S. influenza sales and a larger-than-expected reduction in U.S. healthcare utilization which primarily impacted our U.S. infectious disease revenue, we are

pleased to have delivered adjusted earnings per diluted share in excess of our prior year's results. This was achieved in part through careful expense controls. Strong free cash flow generated during the quarter enabled us to reduce our net debt to adjusted EBITDA ratio during the quarter, again demonstrating our commitment to delivering continuing shareholder value."

Financial results for the first quarter of 2014:

- Net revenue of \$716.6 million for the first quarter of 2014, compared to \$739.2 million for the first quarter of 2013. Non-GAAP adjusted net revenue was \$717.0 million for the first quarter of 2014, compared to \$739.9 million for the first quarter of 2013.
- Net loss of \$11.5 million attributable to common stockholders of Alere Inc., and respective net loss per diluted common share of \$0.14, for the first quarter of 2014, compared to net income of \$7.2 million attributable to common stockholders of Alere Inc., and respective net income per diluted common share of \$0.09, for the first quarter of 2013.
- Non-GAAP adjusted net income per diluted common share of \$0.55 for the first quarter of 2014, compared to non-GAAP adjusted net income per diluted common share of \$0.53 for the first quarter of 2013.
- Net product and services revenue from our Professional Diagnostics segment was \$561.3 million in the first quarter of 2014, compared to net product and services revenue of \$578.6 million in the first quarter of 2013. Non-GAAP adjusted net product and services revenue from our Professional Diagnostics segment was \$561.8 million in the first quarter of 2014, compared to non-GAAP adjusted net product and services revenue of \$579.3 million in the first quarter of 2013. Recent Professional Diagnostics acquisitions contributed \$21.5 million of incremental net revenue, compared to the first quarter of 2013, offset by a \$6.4 million decrease in net revenue related to our 2013 disposition of Spinreact.
- U.S. influenza, meter-based Triage products and mail-order diabetes revenues were \$7.3 million, \$22.9 million and \$32.3 million, respectively, for the first quarter of 2014 compared to \$34.3 million, \$21.6 million and \$33.2 million, respectively, for the first quarter of 2013. Lower influenza revenues reflect the relatively short 2013-2014 flu season, which we noted in our fourth quarter 2013 earnings call. Meter-based Triage products revenue increased from the prior year for the first time since our supply issues began in the second quarter of 2012, reflecting increased revenues from sales of our BNP, Cardiac Panel and D-dimer products. Despite an increase in patients served from 282,000 at the end of the first quarter of 2013 to 769,000 as of March 31, 2014, mail-order diabetes revenues declined slightly, as a result of lower reimbursement rates that became

effective on July 1, 2013.

- Excluding the impact of the change in U.S. influenza revenues and the impact on revenues from the U.S. meter-based Triage product sales, currency adjusted organic growth in our Professional Diagnostics segment was negative 1%. This growth rate was adversely impacted by the decrease in reimbursement rates that became effective on July 1, 2013 for our U.S. mail-order diabetes business. Excluding revenues from our U.S. mail-order diabetes business and considering the flu and Triage adjustments, the currency adjusted organic growth rate for the first quarter of 2014 was 4% for the remainder of our Professional Diagnostics segment.
- The 4% adjusted organic growth rate for our Professional Diagnostic segment for the first quarter of 2014, adjusted for the impact of the U.S. influenza, meter-based Triage products and mail-order diabetes revenues as noted above, reflects a 2% decrease in adjusted U.S. revenues, compared to the first quarter of 2013, offset by an 8% increase in adjusted net revenues from our international business. The 2% decrease in the U.S. business principally resulted from lower infectious disease revenues reflecting lower utilization levels during 2014 than during 2013.
- Net product and services revenue from our Health Information Solutions segment was \$123.7 million in the first quarter of 2014, compared to \$134.2 million in the first quarter of 2013 and \$130.0 million in the fourth quarter of 2013, as a result of the weak contracting season that we experienced during the second half of 2013.
- Gross margin was 49.0% of net revenue in the first quarter of 2014, compared to 49.3% in the first quarter of 2013. Non-GAAP adjusted gross margins, which exclude from cost of net revenue amortization of acquisition-related intangibles, stock-based compensation expense, restructuring charges, and non-cash charges associated with acquired inventory, was 51.5% of non-GAAP adjusted net revenue in the first quarter of 2014 compared to 52.1% in the first quarter of 2013. The lower gross margin in the current period principally reflects the lower U.S. influenza sales and reduced mail-order diabetes reimbursement rates noted above.
- Operating expenses consisting of research and development and selling, general and administrative expenses were \$325.3 million for the first quarter of 2014, compared to \$333.8 million for the first quarter of 2013. Non-GAAP adjusted operating expenses, which exclude amortization of acquisition-related intangibles, restructuring charges, stock-based compensation expense, acquisition-related fair value and compensation-related contingent consideration charges and acquisition and disposition

costs, were \$255.5 million for the first quarter of 2014, or 35.6% of non-GAAP adjusted net revenue, compared to \$257.3 million, or 34.8% of non-GAAP adjusted net revenue, for the first quarter of 2013.

- Free cash flow for the first quarter of 2014 was \$78.4 million, reflecting cash flow from operations of \$105.9 million, offset by capital expenditures of \$27.5 million. Free cash flow for the first quarter of 2013 was \$35.0 million, reflecting cash flow from operations of \$71.1 million, offset by capital expenditures of \$36.1 million.
- Non-GAAP EBITDA for the first quarter of 2014 was \$144.5 million, which reflects adjustments to add back non-interest related restructuring charges of \$7.2 million, \$0.3 million of acquisition-related costs and \$3.0 million of costs associated with potential business dispositions. Non-GAAP EBITDA for the first quarter of 2013 was \$153.3 million, which reflects adjustments to add back non-interest related restructuring charges of \$3.9 million and \$0.9 million of acquisition-related costs. Adjusted non-GAAP EBITDA, which reflects adjustments to add back restructuring, acquisition and disposition related and proxy costs, totaled \$661.0 million for the twelve-month period ended March 31, 2014, compared to \$619.5 million for the twelve-month period ended March 31, 2013.
- Debt, net of cash and restricted cash held to secure debt (“net debt”), was \$3.37 billion as of March 31, 2014, compared to net debt of \$3.53 billion as of March 31, 2013. Our net debt to adjusted non-GAAP EBITDA ratio was 5.1x as of March 31, 2014, compared to 5.7x as of March 31, 2013.

The Company’s GAAP results for the first quarter of 2014 exclude \$0.4 million of revenue associated with acquired software license contracts that are not recognized due to business combination accounting rules and include \$66.6 million of amortization, \$7.3 million of restructuring charges, \$5.7 million of stock-based compensation expense, \$0.3 million of acquisition-related costs recorded in accordance with ASC 805, *Business Combinations*, \$4.6 million of income recorded for fair value adjustments to acquisition-related contingent consideration, \$3.0 million of costs associated with potential business dispositions, \$0.4 million of interest expense recorded in connection with fees paid for certain debt modifications, \$0.4 million in compensation charges and \$0.1 million of related interest accretion associated with acquisition-related contingent consideration obligations. The Company’s GAAP results for the first quarter of 2013 exclude \$0.6 million of revenue associated with acquired software license contracts that are not recognized due to business combination accounting rules and include \$76.0 million of amortization, \$3.9 million of restructuring charges, \$4.1 million of stock-based compensation expense, \$0.9 million of acquisition-related costs recorded in accordance with ASC 805, *Business Combinations*, \$11.0 million of expense recorded for fair value adjustments to

acquisition-related contingent consideration, \$1.0 million of interest expense recorded in connection with fees paid for certain debt modifications, \$0.7 million in compensation charges associated with acquisition-related contingent consideration obligations, a \$0.5 million charge associated with the write-up to fair market value of inventory acquired in connection with the acquisition of Epocal Inc. and \$0.2 million of expense associated with the extinguishment of debt.

Detailed reconciliations of the non-GAAP financial measures presented in this release to the most directly comparable financial measures under GAAP, as well as a discussion regarding these non-GAAP financial measures, are included in the schedules to this press release.

35. On May 6, 2014, Alere filed its Quarterly Report with the SEC on Form 10-Q for the fiscal quarter ended March 31, 2014. The Company's Form 10-Q was signed by Defendant Flakne, and reaffirmed the Company's financial results previously announced on April 29, 2014. The Form 10-Q contained certifications pursuant to SOX, signed by Defendants Zwanziger and Teitel, substantially similar to the certifications described in ¶27, *supra*.

36. August 4, 2014, Alere issued a press release entitled, "Alere Inc. Announces Second Quarter 2014 Results." Therein, the Company, in relevant part, stated:

WALTHAM, MA...August 4, 2014...Alere Inc. (NYSE: **ALR**), a global leader in rapid diagnostics and health information solutions, today announced its financial results for the quarter ended June 30, 2014.

Namal Nawana, Interim Chief Executive Officer and Chief Operating Officer of Alere said, "The second quarter was a period of significant transition for Alere. With the recently announced change in leadership, we are now narrowing our focus on our global leading rapid diagnostic business and pursuing opportunities with the highest potential for value creation. This new strategic direction will center on Alere's core strengths in rapid diagnostics and our focus areas of infectious and cardiometabolic disease and toxicology, which will enhance our ability to deliver more consistent and improved financial results. Alere's Board and management team are committed to determining the best allocation of resources to drive growth and shareholder value creation."

Financial results for the second quarter of 2014:

- Net revenue of \$737.9 million for the second quarter of 2014, compared to \$764.0 million for the second quarter of 2013. Non-GAAP adjusted net

revenue was \$738.3 million for the second quarter of 2014, compared to \$764.6 million for the second quarter of 2013.

- Net loss of \$55.0 million attributable to common stockholders of Alere Inc., and respective net loss per diluted common share of \$0.67 for the second quarter of 2014, compared to net loss of \$65.9 million attributable to common stockholders of Alere Inc., and respective net loss per diluted common share of \$0.81 for the second quarter of 2013.
- Non-GAAP adjusted net income per diluted common share of \$0.42 for the second quarter of 2014, compared to non-GAAP adjusted net income per diluted common share of \$0.64 for the second quarter of 2013.
- Net product and services revenue from our Professional Diagnostics segment was \$578.1 million in the second quarter of 2014, compared to net product and services revenue of \$599.6 million in the second quarter of 2013. Non-GAAP adjusted net product and services revenue from our Professional Diagnostics segment was \$578.4 million in the second quarter of 2014, compared to non-GAAP adjusted net product and services revenue of \$600.2 million in the second quarter of 2013. Recent Professional Diagnostics acquisitions contributed \$8.4 million of incremental net revenue, compared to the second quarter of 2013, offset by a \$6.8 million decrease in net revenue related to our 2013 disposition of Spinreact.
- U.S. influenza, meter-based Triage products and mail-order diabetes revenues were \$5.1 million, \$16.2 million and \$33.0 million, respectively, for the second quarter of 2014, compared to \$2.0 million, \$19.3 million and \$56.2 million, respectively, for the second quarter of 2013.
- Excluding the impact of the change in U.S. influenza revenues and the impact on revenues from the U.S. meter-based Triage product sales, currency-adjusted organic growth in our Professional Diagnostics segment was negative 5.0%. This growth rate was adversely impacted by the decrease in reimbursement rates that became effective on July 1, 2013 for our U.S. mail-order diabetes business. Excluding revenues from our U.S. mail-order diabetes business and considering the flu and Triage adjustments, the currency-adjusted organic growth rate for the second quarter of 2014 was 0.4% for the remainder of our Professional Diagnostics segment.
- The 0.4% adjusted organic growth rate for our Professional Diagnostic segment for the second quarter of 2014, adjusted for the impact of the U.S. influenza, meter-based Triage products and mail-order diabetes revenues as noted above, reflects a 4.1% decrease in adjusted U.S. revenues, compared to the second quarter of 2013, offset by a 4.3% increase in

adjusted net revenues from our international business. The 4.1% decrease in the U.S. business principally reflects a continued weakness in utilization in our professional business during the quarter, coupled with the impacts of a recall of INRatio2 test strips during the quarter.

- Net product and services revenue from our Health Information Solutions segment was \$125.8 million in the second quarter of 2014, compared to \$134.8 million in the second quarter of 2013 and \$123.7 million in the first quarter of 2014, as a result of the weak contracting season that we experienced during the second half of 2013.
- Gross margin was 46.1% of net revenue in the second quarter of 2014, compared to 50.3% in the second quarter of 2013. Non-GAAP adjusted gross margins, which exclude from cost of net revenue amortization of acquisition-related intangibles, stock-based compensation expense, restructuring charges, and non-cash charges associated with acquired inventory, was 48.4% of non-GAAP adjusted net revenue in the second quarter of 2014, compared to 52.8% in the second quarter of 2013. The lower gross margin in the current period principally reflects reduced mail-order diabetes reimbursement rates noted above, as well as revenue and cost of sales charges of approximately \$7.5 million incurred in the quarter in connection with the INRatio2 recall and a recall of Alere Triage BNP Tests for Beckman Coulter Immunoassay Systems.
- Operating expenses consisting of research and development and selling, general and administrative expenses were \$348.0 million for the second quarter of 2014, compared to \$340.1 million for the second quarter of 2013. Also included in operating expenses during the second quarter of 2014 was a \$0.6 million loss associated with the disposition of a component of our Alere Informatics business. Non-GAAP adjusted operating expenses, which exclude amortization of acquisition-related intangibles, restructuring charges, stock-based compensation expense, acquisition-related fair value, compensation-related contingent consideration charges and acquisition and disposition costs and the loss on disposition were \$255.0 million for the second quarter of 2014, or 34.5% of non-GAAP adjusted net revenue, compared to \$260.0 million, or 34.0% of non-GAAP adjusted net revenue, for the second quarter of 2013. During the second quarter, we initiated a workforce reduction which will reduce combined operating expenses by approximately \$21.3 million annually and which had an impact on current quarter expenses of approximately \$2.1 million.
- Free cash flow for the second quarter of 2014 was a negative \$7.6 million, reflecting cash flow from operations of \$19.3 million, offset by capital expenditures of \$26.9 million. Cash flow from operations during the quarter was adversely impacted by the payment of \$9.1 million of

severance charges associated with a workforce reduction, \$6.2 million of payments associated with costs incurred related to planned dispositions and \$16.7 million of contingent purchase price payments in excess of acquisition date accruals. Additionally, cash flow from operations for the second quarter reflects the payment of \$49.6 million of semiannual interest payments on Senior and Senior Subordinated Notes. Free cash flow for the second quarter of 2013 was a negative \$0.8 million, reflecting cash flow from operations of \$27.7 million, offset by capital expenditures of \$28.5 million.

- Non-GAAP EBITDA for the second quarter of 2014 was \$110.2 million, which reflects adjustments to add back non-interest related restructuring charges of \$15.8 million, \$0.1 million of acquisition-related costs and \$11.6 million of costs associated with potential business dispositions. Non-GAAP EBITDA for the second quarter of 2013 was \$166.6 million, which reflects adjustments to add back non-interest related restructuring charges of \$8.0 million and \$0.4 million of acquisition-related costs. Adjusted non-GAAP EBITDA, which reflects adjustments to add back restructuring, acquisition, disposition and proxy related costs, totaled \$623.7 million for the twelve-month period ended June 30, 2014, compared to \$639.7 million for the twelve-month period ended June 30, 2013, which reflects adjustments to add back restructuring and acquisition related costs.
- Debt, net of cash and restricted cash held to secure debt (“net debt”), was \$3.38 billion as of June 30, 2014, compared to net debt of \$3.56 billion as of June 30, 2013. Our net debt to adjusted non-GAAP EBITDA ratio was 5.4x as of June 30, 2014, compared to 5.6x as of June 30, 2013.

The Company’s GAAP results for the second quarter of 2014 exclude \$0.4 million of revenue associated with acquired software license contracts that are not recognized due to business combination accounting rules and include \$66.5 million of amortization, \$15.9 million of restructuring charges, \$0.1 million of acquisition-related costs recorded in accordance with ASC 805, *Business Combinations*, \$16.8 million of expense recorded for fair value adjustments to acquisition-related contingent consideration, \$11.6 million of costs associated with potential business dispositions, \$0.4 million of interest expense recorded in connection with fees paid for certain debt modifications, a \$0.6 million loss associated with the disposition of a component of our Alere Informatics business, \$0.6 million in compensation charges and \$0.1 million of related interest accretion associated with acquisition-related contingent consideration obligations, offset by the reversal of \$1.1 million of stock-based compensation expense. The Company’s GAAP results for the second quarter of 2013 exclude \$0.6 million of revenue associated with acquired software license contracts that are not recognized due to business combination accounting rules and include amortization of \$79.3 million, \$8.1 million of restructuring charges, \$4.7 million

of stock-based compensation expense, \$0.4 million of acquisition-related costs recorded in accordance with ASC 805, *Business Combinations*, \$5.3 million of expense recorded for fair value adjustments to acquisition-related contingent consideration, \$0.8 million of interest expense recorded in connection with fees paid for certain debt modifications, \$0.5 million in compensation charges and \$0.2 million of related interest accretion associated with acquisition-related contingent consideration obligations, a \$0.7 million charge associated with the write-up to fair market value of inventory acquired in connection with the acquisition of Epocal Inc., \$35.6 million of expense associated with the extinguishment of debt and a \$5.1 million non-cash write-off of an investment, offset by a \$8.1 million bargain purchase gain in connection with our acquisition of the Liberty business.

Detailed reconciliations of the non-GAAP financial measures presented in this release to the most directly comparable financial measures under GAAP, as well as a discussion regarding these non-GAAP financial measures, are included in the schedules to this press release.

37. On August 6, 2014, Alere filed its Quarterly Report with the SEC on Form 10-Q for the fiscal quarter ended June 30, 2014. The Company's Form 10-Q was signed by Defendant Flakne, and reaffirmed the Company's financial results previously announced on August 4, 2014. The Form 10-Q contained certifications pursuant to SOX, signed by Defendants Nawana and Teitel, substantially similar to the certifications described in ¶27, *supra*.

38. On October 28, 2014, Alere issued a press release entitled, "Alere Inc. Announces Third Quarter 2014 Results." Therein, the Company, in relevant part, stated:

WALTHAM, MA...October 28, 2014...Alere Inc. (NYSE: **ALR**), a global leader in rapid diagnostics and health information solutions, today announced its financial results for the quarter ended September 30, 2014.

Namal Nawana, Chief Executive Officer and President of Alere said, "We made great progress during the third quarter to reset our strategic direction to focus on our strengths as the Global Leader in Rapid Diagnostics. Doing so has allowed us to begin to execute a significant cost reduction program and to clearly identify non-core assets for disposition. As we announced earlier today, the agreement that we reached with Optum for the disposition of our Alere Health organization is a great step towards simplifying and focusing our organization and achieving our strategic goals."

Financial results for the third quarter of 2014:

- Net revenue of \$736.2 million for the third quarter of 2014, compared to \$753.3 million for the third quarter of 2013. Non-GAAP adjusted net revenue was \$736.6 million for the third quarter of 2014, compared to \$753.9 million for the third quarter of 2013.
- Loss from continuing operations of \$98.6 million attributable to common shareholders of Alere Inc., and respective net loss per diluted common share of \$1.19 for the third quarter of 2014, compared to net loss from continuing operations of \$21.7 million attributable to common shareholders of Alere Inc., and respective net loss per diluted common share of \$0.27 for the third quarter of 2013.
- Non-GAAP adjusted net income from continuing operations attributable to common shareholders of Alere Inc. per diluted common share of \$0.48 for the third quarter of 2014, compared to non-GAAP adjusted net income from continuing operations attributable to common shareholders per diluted common share of \$0.61 for the third quarter of 2013.
- Net product and services revenue from our Professional Diagnostics segment was \$581.8 million in the third quarter of 2014, compared to net product and services revenue of \$587.3 million in the third quarter of 2013. Non-GAAP adjusted net product and services revenue from our Professional Diagnostics segment was \$582.1 million in the third quarter of 2014, compared to non-GAAP adjusted net product and services revenue of \$587.8 million in the third quarter of 2013.
- U.S. influenza and meter-based Triage product revenues were \$15.0 million and \$15.8 million, respectively, for the third quarter of 2014, compared to \$18.3 million and \$17.7 million, respectively, for the third quarter of 2013.
- Excluding the impact of the change in U.S. influenza revenues and the impact on revenues from the U.S. meter-based Triage product sales, currency-adjusted organic growth in our Professional Diagnostics segment was negative 1.2%. This decrease reflects a 5.4% decrease in adjusted U.S. revenues, compared to the third quarter of 2013, offset by a 3.3% increase in our international business. The decrease in the U.S. business principally relates to lower revenues from sales of Beckman Coulter BNP tests due to supply constraints and to lower pain management revenues in our Toxicology business. New products contributed favorably to our overall adjusted growth rate, with sales of CD4 products increasing from \$5.0 million in Q3 2013 to \$7.6 million in Q3 2014 and Epoc sales increasing from \$5.7 million to \$6.7 million for the same periods.
- Net product and services revenue from our Health Information Solutions

segment was \$123.9 million in the third quarter of 2014, compared to \$133.7 million in the third quarter of 2013, reflecting growth in our patient self-testing business from \$27.0 million in the third quarter of 2013 to \$30.2 million in the third quarter of 2014.

- Gross margin was 46.6% of net revenue in the third quarter of 2014, compared to 49.0% in the third quarter of 2013. Non-GAAP adjusted gross margins, which exclude from cost of net revenue amortization of acquisition-related intangibles, stock-based compensation expense, restructuring charges, and non-cash charges associated with acquired inventory, was 49.6% of non-GAAP adjusted net revenue in the third quarter of 2014, compared to 52.1% in the third quarter of 2013 and 48.4% in the second quarter of 2014.
- Non-GAAP adjusted selling, general and administrative expenses were \$207.1 million or 28.1% of adjusted net revenue in the third quarter of 2014, compared to \$218.8 million or 29.0% of adjusted net revenue in the third quarter of 2014. Non-GAAP adjusted research and development expense was \$31.6 million, or 4.3% of adjusted net revenue, compared to \$37.1 million, or 4.9% of adjusted net revenues, in Q3 2013
- Free cash flow for the third quarter of 2014 was a \$62.9 million, reflecting cash flow from operations of \$91.7 million, offset by capital expenditures of \$28.8 million. Of the \$91.7 million of operating cash flows during the third quarter, \$96.4 million was cash flows from continuing operations.
- Non-GAAP EBITDA for the third quarter of 2014 was \$129.4 million, which reflects adjustments to add back non-interest related restructuring charges of \$17.9 million, \$0.3 million of acquisition-related costs and \$6.2 million of costs associated with potential business dispositions. On a last-twelve-months basis, our non-GAAP adjusted EBITDA, with restructuring, acquisition and other costs added back, was \$630.3 million, resulting in a net debt to non-GAAP adjusted EBITDA ratio of 5.3 times.

39. On November 7, 2014, Alere filed its Quarterly Report with the SEC on Form 10-Q for the fiscal quarter ended September 30, 2014. The Company's Form 10-Q was signed by Defendant Flakne, and reaffirmed the Company's financial results previously announced on October 28, 2014. The Form 10-Q contained certifications pursuant to SOX, signed by Defendants Nawana and Teitel, substantially similar to the certifications described in ¶27, *supra*.

40. On February 10, 2015, Alere issued a press release entitled, "Alere Inc.

Announces Fourth Quarter 2014 Results.” Therein, the Company, in relevant part, stated:

WALTHAM, MA...February 10, 2015...Alere Inc. (NYSE: **ALR**), a global leader in rapid diagnostics, announced its financial results for the quarter ended December 31, 2014.

Namal Nawana, Chief Executive Officer and President of Alere said, “We made substantial progress in the fourth quarter in refocussing Alere as the global leader in rapid diagnostics and delivering against our financial plans. Successfully closing the Alere Health divestiture in early January enabled us to substantially reduce our debt, and we continue to pursue the divestiture of other non-core assets. Importantly, we achieved 1.9% adjusted organic growth during the fourth quarter of 2014 driven by strong international sales growth. We also executed on our planned cost base change successfully in the fourth quarter of 2014, positioning us well for margin expansion in 2015.”

Financial results for the fourth quarter of 2014:

- As a result of our divestiture of Alere Health in early January 2015, the financial results presented for all periods reflect the reclassification of the Alere Health business as a discontinued operation.
- Net revenue of \$666.9 million for the fourth quarter of 2014, compared to \$673.2 million for the fourth quarter of 2013. Non-GAAP adjusted net revenue was \$667.1 million for the fourth quarter of 2014, compared to \$673.6 million for the fourth quarter of 2013.
- Net loss from continuing operations of \$27.0 million attributable to common shareholders of Alere Inc., and respective net loss per diluted common share of \$0.32 for the fourth quarter of 2014, compared to net loss from continuing operations of \$4.4 million attributable to common shareholders of Alere Inc., and respective net loss per diluted common share of \$0.06 for the fourth quarter of 2013.
- Non-GAAP adjusted net income from continuing operations attributable to common shareholders of Alere Inc. per diluted common share of \$0.60 for the fourth quarter of 2014, compared to non-GAAP adjusted net income from continuing operations attributable to common shareholders per diluted common share of \$0.63 for the fourth quarter of 2013.
- Net product and services revenue from our Professional Diagnostics segment was \$598.7 million in the fourth quarter of 2014, compared to net product and services revenue of \$600.7 million in the fourth quarter of 2013. Non-GAAP adjusted net product and services revenue from our Professional Diagnostics segment was \$599.0 million in the fourth quarter of 2014, compared to non-GAAP adjusted net product and services

revenue of \$601.1 million in the fourth quarter of 2013.

- U.S. influenza and meter-based Triage product revenues were \$25.5 million and \$17.8 million, respectively, for the fourth quarter of 2014, compared to \$20.9 million and \$17.7 million, respectively, for the fourth quarter of 2013.
- Excluding the impact of the change in U.S. influenza revenues and the impact on revenues from the U.S. meter-based Triage product sales, currency-adjusted organic growth in our Professional Diagnostics segment was 1.9%. This increase reflects a 4.5% decrease in adjusted U.S. revenues, compared to the fourth quarter of 2013, offset by a 7.6% increase in our international business. The decrease in the U.S. business principally relates to lower revenues from INRatio sales and to lower pain management revenues in our Toxicology business.
- Net product and services revenue from our Health Information Solutions segment was \$34.7 million in the fourth quarter of 2014, compared to \$30.8 million in the fourth quarter of 2013, reflecting growth in our Alere Home Monitoring patient self-testing services from \$25.5 million in the fourth quarter of 2013 to \$30.0 million in the fourth quarter of 2014.
- Gross margin was 46.5% of net revenue in the fourth quarter of 2014, compared to 50.8% in the fourth quarter of 2013. Non-GAAP adjusted gross margins, which exclude from cost of net revenue amortization of acquisition-related intangibles, stock-based compensation expense, restructuring charges, and non-cash charges associated with acquired inventory, was 50.0% of non-GAAP adjusted net revenue in the fourth quarter of 2014, compared to 53.6% in the fourth quarter of 2013 and 49.8% in the third quarter of 2014.
- Non-GAAP adjusted selling, general and administrative expenses were \$176.4 million or 26.4% of adjusted net revenue in the fourth quarter of 2014, compared to \$190.6 million or 28.3% of adjusted net revenue in the fourth quarter of 2013. Non-GAAP adjusted research and development expense was \$25.6 million, or 3.8% of adjusted net revenue, compared to \$35.7 million, or 5.3% of adjusted net revenue, in the fourth quarter of 2013.
- Non-GAAP adjusted EBITDA from continuing operations for the fourth quarter of 2014 was \$155.4 million, which reflects adjustments to add back non-interest related restructuring charges of \$21.6 million, \$0.2 million of acquisition-related costs and \$5.8 million of costs associated with potential business dispositions. On a last-twelve-months basis, our non-GAAP adjusted EBITDA from continuing operations, with restructuring, acquisition and other costs added back, was \$562.7 million.

41. On March 5, 2015, Alere filed its Annual Report with the SEC on Form 10-K for the fiscal year ended December 31, 2014. The Company's Form 10-K was signed by Defendant Nawana, and reaffirmed the Company's financial results previously announced on February 10, 2015. The Form 10-K contained certifications pursuant to SOX, signed by Defendants Nawana and Teitel, substantially similar to the certifications described in ¶27, *supra*.

42. On May 5, 2015, Alere issued a press release entitled, "Alere Reports Preliminary First Quarter 2015 Financial Results and Announces 2014 Restatement." Therein, the Company, in relevant part, stated:

WALTHAM, Mass., May 5, 2015 – Alere Inc. (NYSE: ALR), a global leader in rapid diagnostic tests, today announced its preliminary financial results for the quarter ended March 31, 2015. Net revenue was \$610.4 million, a decrease of 2.4 percent, compared to \$625.2 million in the first quarter of 2014. Non-GAAP adjusted net revenue was \$610.7 million, a decrease of 2.4 percent, compared to \$625.7 million in the first quarter of 2014. Net revenue in the first quarter of 2015 included negative foreign currency impact of \$28.7 million.

<u>Net Revenue (in millions)</u>	<u>First Quarter 2015</u>	<u>First Quarter 2014 (1)(2)</u>	<u>% Change</u>
Cardiometabolic	\$ 205	\$ 214	(4)
Infectious Disease	\$ 179	\$ 168	7
Toxicology	\$ 149	\$ 155	(4)
Other	\$ 51	\$ 61	(16)
Consumer Diagnostics	\$ 22	\$ 22	—
License and Royalty	\$ 4	\$ 5	(2)
Total	\$ 610	\$ 625	(2)

(1) Revenues, other than License and Royalty, have been reclassified due to a change in segment reporting as a result of the divestiture of our health management business in 2015 and the results of our patient self-testing business are primarily included within Cardiometabolic.

(2) Our review of our 2014 financial results in connection with the restatement discussed below is continuing, but at present, we do not expect that the restatement will materially alter the 2014 revenue figures presented above.

"Our first quarter performance reflected solid execution within each of our three business areas despite significant foreign currency headwinds," said Namal Nawana, CEO and President of Alere. "Looking ahead, we continue to focus on our execution, particularly in maintaining strong operating expense discipline and launching new products, and we reaffirm our financial guidance for 2015."

First Quarter 2015 Results

Non-GAAP adjusted net revenue of \$610.7 million for the first quarter of 2015 included increases of \$13.0 million in North American influenza sales, \$7.0 million in patient self-testing and mail-order diabetes sales and \$6.5 million in core Toxicology (excluding pain management), offset by \$28.7 million in foreign currency exchange, a \$12.5 million revenue decrease in our pain management business, and a \$4.5 million revenue decrease in North America INRatio® product sales.

Gross profit was \$294.3 million in the first quarter of 2015, with 48.2 percent gross margin. On a non-GAAP basis, adjusted gross profit was \$310.8 million, with 50.9 percent gross margin in the first quarter of 2015. Non-GAAP adjusted gross profit excludes amortization of acquisition-related intangibles, restructuring charges, stock-based compensation and costs associated with potential business dispositions.

Total operating expenses were \$264.6 million, or 43.3 percent of net revenue in the first quarter of 2015. R&D expense was \$28.0 million, or 4.6 percent of net revenue, and SG&A expense was \$201.8 million, or 33.1 percent of net revenue in the first quarter of 2015. On a non-GAAP basis, adjusted total operating expenses during the first quarter of 2015 were \$193.4 million, or 31.7 percent of non-GAAP adjusted net revenue, comprised of \$26.3 million of non-GAAP adjusted R&D expenses, or 4.3 percent of non-GAAP adjusted net revenue, and non-GAAP adjusted SG&A expenses of \$167.1 million, or 27.4 percent of non-GAAP adjusted net revenue. Non-GAAP adjusted operating expenses, non-GAAP adjusted R&D expenses and non-GAAP adjusted SG&A expenses exclude, as applicable, amortization of acquisition-related intangibles, restructuring charges, stock-based compensation, fair value adjustments to contingent consideration, compensation costs associated with contingent consideration and costs associated with potential business dispositions. Also included in total operating expenses for the first quarter of 2015 is \$27.4 million of costs associated with the impairment of assets in connection with the closure of our Alere Analytics and Alere Connect operations and a \$7.4 million net loss on business dispositions. Both of these amounts are excluded from non-GAAP adjusted total operating expenses.

Operating income was \$29.7 million in the first quarter of 2015. On a non-GAAP basis, adjusted operating income was \$117.4 million in the first quarter of 2015.

Loss from continuing operations available to common stockholders was \$9.2 million or \$0.11 per diluted share in the first quarter of 2015. On a non-GAAP basis, the Company reported adjusted income from continuing operations available to common stockholders of \$50.4 million, or \$0.57 per diluted share in the first quarter of 2015.

Detailed reconciliations of the non-GAAP financial measures presented in this release to the most directly comparable financial measures under GAAP, as well as a discussion regarding these non-GAAP financial measures, are included in the schedules to this press release.

2015 Business Outlook

For the year ending December 31, 2015, the Company expects:

- Net revenue to be in the range of \$2.5 billion to \$2.6 billion
- Non-GAAP adjusted net income from continuing operations available to common stockholders in the range of \$2.40 to \$2.50 per diluted share

43. On May 28, 2015, Alere filed its Quarterly Report with the SEC on Form 10-Q for the fiscal quarter ended March 31, 2015. The Company's Form 10-Q was signed by Defendant Flakne, and reaffirmed the Company's financial results previously announced on May 5, 2015. The Form 10-Q contained certifications pursuant to SOX, signed by Defendants Nawana and Hinrichs, substantially similar to the certifications described in ¶27, *supra*.

44. On August 4, 2015, Alere issued a press release entitled, "Alere Reports Second Quarter 2015 Financial Results." Therein, the Company, in relevant part, stated:

WALTHAM, Mass., August 4, 2015 – Alere Inc. (NYSE: **ALR**), a global leader in rapid diagnostic tests, today announced its financial results for the quarter ended June 30, 2015. Net revenue was \$629.2 million, a decrease of 2.8 percent, compared to \$647.4 million in the second quarter of 2014. Non-GAAP adjusted net revenue was \$629.4 million, a decrease of 2.8 percent, compared to \$647.8 million in the second quarter of 2014.

<u>Net Revenue (in millions)</u>	<u>Second Quarter 2015</u>	<u>Second Quarter 2014 (1)</u>	<u>% Change</u>
Cardiometabolic Disease	\$ 214	\$ 209	2
Infectious Disease	\$ 177	\$ 175	1
Toxicology	\$ 157	\$ 170	(7)
Other	\$ 51	\$ 65	(22)
Consumer Diagnostics	\$ 25	\$ 22	13
License and Royalty	\$ 5	\$ 6	(14)
Total	\$ 629	\$ 647	(3)

(1) Revenues, other than License and Royalty, have been reclassified due to a change in segment reporting as a result of the divestiture of our health management business in 2015 and the results of our patient self-testing business

are primarily included within Cardiometabolic Disease.

Our second quarter 2015 results, with 18.5 percent non-GAAP adjusted operating income growth compared to the prior year period, demonstrate the significant progress we've made in transforming Alere. During the first half of 2015, we met our operational targets and achieved 2.9 percent non-GAAP adjusted organic revenue growth with contribution from new products and continued operating expense discipline," said Namal Nawana, CEO and President of Alere. "We continue to focus on strong execution to accelerate our business during the second half of 2015. Our 2015 guidance includes the recently announced accretive acquisition of US Diagnostics and the BBI divestiture that is expected to close during the fourth quarter."

Second Quarter Highlights

- Announced completion of \$425 million of senior subordinated notes offering at 6.375 percent; refinanced senior secured credit facilities
- CEO Namal Nawana participated in the White House Antibiotic Stewardship Forum
- Received FDA clearance for Alere iTM Strep A rapid molecular test

Second Quarter 2015 Results

Non-GAAP adjusted net revenue of \$629.4 million for the second quarter of 2015 included increases of \$6.4 million in global HIV product sales, \$9.2 million in Alere Home Monitoring and mail-order diabetes, and \$2.2 million in epoc[®] product sales compared to the prior year period, offset by a \$33.1 million decrease due to foreign currency exchange, a \$13.3 million decrease in our pain management business, and a \$1.2 million decrease in North America INRatio[®] product sales compared to the prior year period. Included in second quarter non-GAAP adjusted net revenue was \$8.6 million in global influenza product sales.

Gross profit was \$292.6 million in the second quarter of 2015, with 46.5 percent gross margin. On a non-GAAP basis, adjusted gross profit was \$307.1 million, with 48.8 percent non-GAAP adjusted gross margin in the second quarter of 2015. Non-GAAP adjusted gross profit excludes amortization of acquisition-related intangibles, restructuring charges, and stock-based compensation.

Operating expenses were \$200.7 million, or 31.9 percent of net revenue, in the second quarter of 2015. Included in the second quarter operating expenses was R&D expense of \$27.2 million, or 4.3 percent of net revenue, and SG&A expense of \$168.0 million, or 26.7 percent of net revenue. Non-GAAP adjusted operating expenses during the second quarter of 2015 were \$191.8 million, or 30.5 percent

of non-GAAP adjusted net revenue, and were comprised of \$25.8 million of non-GAAP adjusted R&D expenses, or 4.1 percent of non-GAAP adjusted net revenue, and non-GAAP adjusted SG&A expenses of \$166.0 million, or 26.4 percent of non-GAAP adjusted net revenue. Non-GAAP adjusted operating expenses, non-GAAP adjusted R&D expenses and non-GAAP adjusted SG&A expenses exclude, as applicable, amortization of acquisition-related intangibles, restructuring charges, stock-based compensation, fair value adjustments to contingent consideration, compensation costs associated with contingent consideration and costs associated with potential business dispositions. Also included in operating expenses for the second quarter of 2015 was a \$5.1 million loss on the divestiture of our Alere Analytics business and \$0.3 million of costs associated with the closure of our Alere Connect operation. Both of these amounts are excluded from non-GAAP adjusted operating expenses.

Operating income was \$91.8 million in the second quarter of 2015. On a non-GAAP basis, adjusted operating income was \$115.2 million in the second quarter of 2015.

Income from continuing operations available to common stockholders was \$14.6 million, or \$0.17 per diluted share, in the second quarter of 2015. On a non-GAAP basis, the Company reported adjusted income from continuing operations available to common stockholders of \$48.3 million, or \$0.54 per diluted share, in the second quarter of 2015.

Detailed reconciliations of the non-GAAP financial measures presented in this release to the most directly comparable financial measures under GAAP, as well as a discussion regarding these non-GAAP financial measures, are included in the schedules to this press release.

2015 Business Outlook

For the year ending December 31, 2015, the Company expects:

- Net revenue to be in the range of \$2.5 billion to \$2.6 billion
- Non-GAAP adjusted net income from continuing operations available to common stockholders in the range of \$2.40 to \$2.50 per diluted share

45. On August 6, 2015, Alere filed its Quarterly Report with the SEC on Form 10-Q for the fiscal quarter ended June 30, 2015. The Company's Form 10-Q was signed by Defendant Flakne, and reaffirmed the Company's financial results previously announced on August 4, 2015. The Form 10-Q contained certifications pursuant to SOX, signed by Defendants Nawana

and Hinrichs, substantially similar to the certifications described in ¶27, *supra*.

46. On November 4, 2015, Alere issued a press release entitled, “Alere Reports Third Quarter 2015 Financial Results.” Therein, the Company, in relevant part, stated:

WALTHAM, Mass., November 4, 2015 – Alere Inc. (NYSE: ALR), a global leader in rapid diagnostic tests, today announced its financial results for the quarter ended September 30, 2015. Net revenue for the third quarter of 2015 was \$602.0 million, a 7.3 percent decrease compared to \$649.2 million in the third quarter of 2014, or a 1.7 percent decrease in organic growth, which is on a constant currency basis, excluding impacts of acquisitions and divestitures. Net income from continuing operations available to common stockholders was \$0.2 million, or \$0.00 per diluted share, in the third quarter of 2015. On a non-GAAP basis, the Company reported non-GAAP adjusted net income from continuing operations available to common stockholders of \$48.3 million, or \$0.54 per diluted share, in the third quarter of 2015.

<u>Net Revenue (in millions)</u>	<u>Third Quarter 2015</u>	<u>Third Quarter 2014(1)</u>	<u>% Change</u>
Cardiometabolic Disease	\$ 208	\$ 208	—
Infectious Disease	\$ 164	\$ 184	(11)
Toxicology	\$ 163	\$ 167	(2)
Other	\$ 45	\$ 65	(30)
Consumer Diagnostics	\$ 19	\$ 21	(12)
License and Royalty	\$ 3	\$ 4	(21)
Total	\$ 602	\$ 649	(7)

(1) Revenues, other than License and Royalty, have been reclassified due to a change in segment reporting as a result of the divestiture of our health management business in 2015 and the results of our patient self-testing business are primarily included within Cardiometabolic Disease.

“Third quarter revenue was impacted by currency and lower international sales. Europe organic growth declined by 4 percent and tender awards in Africa and Asia have taken longer to ramp than anticipated; however, we expect both Africa and Asia to contribute to near-term growth,” said Namal Nawana, CEO of Alere. “Pain management and INRatio revenue declined year-over-year and negatively impacted our profitability in the third quarter; however, excluding pain management, our core Toxicology revenue grew by 6% during the third quarter, which represents 10 consecutive quarters of organic growth. Despite these short-term challenges, our core businesses and platforms had solid growth and we gained significant traction with the launch of Alere i, with revenue of \$5 million in the third quarter and total worldwide placements of more than 2,800 instruments to date.

From an operational perspective, we exercised strong operating expense discipline and delivered third quarter non-GAAP EPS growth of 54 percent year-over-year. Looking ahead, we expect fourth quarter 2015 revenue to rebound and we are re-

doubling our efforts to establish solid and sustainable organic growth for Alere. We are confident that the strength of our core platforms will eclipse near-term challenges and accelerate our overall growth. The Alere team is fully focused on continuing to execute against our strategic growth initiatives to deliver enhanced value for our shareholders.”

Third Quarter Highlights

- Alere receives FDA CLIA Waiver for Alere™ i Strep A Rapid Molecular Test
- Alere Agrees to Sell BBI Group and Acquires US Diagnostics
- Dr. Geoffrey S. Ginsburg Joins Alere Board

Third Quarter 2015 Results

Third quarter 2015 net revenue of \$602.0 million declined by \$47.2 million from \$649.2 million, or 7.3 percent, compared to the prior year period, primarily due to a \$33.0 million negative impact from foreign currency exchange; a \$12.6 million decrease in pain management; and a \$7.7 million decrease in global sales of INRatio. In addition, BBI revenue and contract manufacturing revenue associated with our consumer joint venture declined by \$8.7 million and CD4 and malaria sales in Africa decreased by \$8.0 million during the third quarter. Growth areas included: patient self-testing, Afinion and epoc in Cardiometabolic Disease; dengue in Infectious Disease; and employer services and reagents in Toxicology. Global influenza sales were \$19.6 million in the third quarter of 2015, a 15.9 percent increase over the prior year period, including approximately \$4.9 million in Alere i sales.

Gross profit in the third quarter of 2015 was \$275.0 million, with 45.7 percent gross margin, compared to \$301.6 million in the third quarter of 2014, with 46.5 percent gross margin. Non-GAAP adjusted gross profit in the third quarter of 2015 was \$292.5 million, with 48.5 percent non-GAAP adjusted gross margin, compared to \$323.6 million in the third quarter of 2014, with 49.8 percent non-GAAP adjusted gross margin. Non-GAAP adjusted gross profit excludes amortization of acquisition-related intangibles, restructuring charges, and stock-based compensation.

Operating expenses were \$245.9 million, or 40.8 percent of net revenue, in the third quarter of 2015, compared to operating expenses of \$266.3 million, or 41.0 percent of net revenue, in the third quarter of 2014. Included in the third quarter 2015 operating expenses was R&D expense of \$36.0 million, or 6.0 percent of net revenue, and SG&A expense of \$207.8 million, or 34.5 percent of net revenue. Also included in the third quarter 2015 operating expenses were \$2.1 million in net charges related to impairment and loss on dispositions. Non-GAAP adjusted

operating expenses during the third quarter of 2015 were \$187.0 million, or 31.0 percent of net revenue, and were comprised of \$27.4 million of non-GAAP adjusted R&D expense, or 4.5 percent of net revenue, and non-GAAP adjusted SG&A expense of \$159.6 million, or 26.5 percent of net revenue. Non-GAAP adjusted operating expenses, non-GAAP adjusted R&D expenses and non-GAAP adjusted SG&A expense exclude, as applicable, amortization of acquisition-related intangibles, restructuring charges, stock-based compensation, fair value adjustments to contingent consideration, compensation costs associated with contingent consideration, costs associated with business dispositions, and impairment and loss on dispositions, net.

Operating income was \$29.2 million in the third quarter of 2015, compared to operating income of \$35.3 million in the third quarter of 2014. Non-GAAP adjusted operating income was \$105.4 million in the third quarter of 2015, compared to non-GAAP adjusted operating income of \$116.6 million in the third quarter of 2014.

Net income from continuing operations available to common stockholders was \$0.2 million, or \$0.00 per diluted share, in the third quarter of 2015, compared to a net loss from continuing operations available to common stockholders of \$89.4 million, or \$1.08 per diluted share, in the third quarter of 2014. On a non-GAAP basis, the Company reported non-GAAP adjusted net income from continuing operations available to common stockholders of \$48.3 million, or \$0.54 per diluted share, in the third quarter of 2015, compared to non-GAAP adjusted net income from continuing operations available to common stockholders of \$30.0 million, or \$0.35 per diluted share, in the third quarter of 2014.

Financial results for the three- and nine-month periods of 2015 and the comparable three- and nine-month periods of 2014 are included in the schedules to this press release.

Detailed reconciliations of the non-GAAP financial measures presented in this release to the most directly comparable financial measures under GAAP, as well as a discussion regarding these non-GAAP financial measures, are included in the schedules to this press release.

2015 Business Outlook

For the year ending December 31, 2015, the Company expects:

- Net revenue to be in the range of \$2.48 billion to \$2.50 billion
- Non-GAAP adjusted net income from continuing operations available to common stockholders in the range of \$2.20 to \$2.25 per diluted common share

47. On November 9, 2015, Alere filed its Quarterly Report with the SEC on Form 10-Q for the fiscal quarter ended September 30, 2015. The Company's Form 10-Q was signed by Defendant Flakne, and reaffirmed the Company's financial results previously announced on November 4, 2015. The Form 10-Q contained certifications pursuant to SOX, signed by Defendants Nawana and Hinrichs, substantially similar to the certifications described in ¶27, *supra*.

48. On February 1, 2016, the Company issued a press release in concert with Abbott Laboratories entitled "Abbott to Acquire Alere, Becoming Leader in Point of Care Testing and Significantly Advancing Global Diagnostics Presence." Therein, the Company stated:

ABBOTT PARK, Ill. and WALTHAM, Mass., Feb. 1, 2016 /PRNewswire/ -- Abbott (NYSE: ABT) and Alere Inc. (NYSE: ALR) announced today a definitive agreement for Abbott to acquire Alere, significantly advancing Abbott's global diagnostics presence and leadership. Under the terms of the agreement, Abbott will pay \$56 per common share at a total expected equity value of \$5.8 billion. Once the transaction is completed, Abbott will become the leading diagnostics provider of point of care testing. Abbott's total diagnostics sales will exceed \$7 billion after the close.

Abbott will be able to provide new, flexible, cost-effective, high-quality products to help health systems meet growing demand in both in-patient and out-patient settings. Alere's complementary portfolio of products will provide Abbott access to new channels and geographies, including entry into fast-growing outlets, such as doctors' offices, clinics, pharmacies and at-home testing.

"The combination of Alere and Abbott will create the world's premier point of care testing business and significantly strengthen and grow Abbott's diagnostics presence," said Miles D. White, chairman and chief executive officer, Abbott. "We want to offer our customers the best and broadest diagnostics solutions. Alere helps us do that."

Upon completion of the transaction, the combined business will offer the broadest point of care menu of infectious disease, molecular, cardiometabolic and toxicology testing, expanding Abbott's platforms to include benchtop and rapid strip tests. Abbott will be able to better serve an expansive customer base around the world while also accelerating innovation in point of care diagnostics. More than half of Alere's \$2.5 billion in sales are in the U.S. Alere also has a growing presence in key international markets, where Abbott's capabilities and

infrastructure will drive accelerated growth of Alere's portfolio.

"Today's announcement marks an exciting and transformative milestone for Alere and one that provides an immediate benefit for our stockholders," said Namal Nawana, president and chief executive officer, Alere. "Our leading platforms and global presence in point-of-care diagnostics, combined with Abbott's broad portfolio of market-leading products, will accelerate our shared goal of improving patient care. I'd like to thank our global workforce of nearly 10,000 employees whose hard work and dedication has enabled Alere to contribute to improved patient outcomes throughout the world."

Financial

The transaction will be immediately accretive to Abbott's ongoing earnings per share upon close and significantly accretive thereafter, with approximately 12-13 cents of accretion in 2017 and more than 20 cents in 2018.* The combination is anticipated to result in annual pre-tax synergies approaching \$500 million by 2019 and increasing thereafter, including both sales and operational benefits.

Under the terms of the agreement, Alere shareholders will receive \$56 per common share in cash at the completion of the transaction, and Alere will become a subsidiary of Abbott. Alere's net debt, currently \$2.6 billion, will be assumed or refinanced by Abbott.

The transaction, which has been approved by the boards of directors of Alere and Abbott, is subject to the approval of Alere shareholders and the satisfaction of customary closing conditions, including applicable regulatory approvals.

Evercore is acting as financial advisor and Kirkland & Ellis LLP is serving as legal counsel to Abbott. JP Morgan is acting as financial advisor and Cravath, Swaine & Moore is serving as legal counsel to Alere.

49. On this news, Alere's stock price shot up \$16.91, or more than 45%, to close at \$54.11 per share on February 1, 2016.

50. The above statements contained in ¶¶25-48 were false and/or misleading, as well as failed to disclose material adverse facts about the Company's business, operations, and prospects. Specifically, these statements were false and/or misleading statements and/or failed to disclose: (1) that the Company improperly recognized and reported revenue in violation of GAAP; (2) that, as a result, the Company's quarterly and annual SEC filings would be delayed;

(3) that, as a result of the foregoing, the Company's planned merger with Abbott Laboratories would be thrown into doubt; (4) that the Company lacked adequate internal controls over accounting and financial reporting; and (5) that, as a result of the foregoing, the Company's financial statements, as well as Defendants' statements about Alere's business, operations, and prospects, were false and misleading and/or lacked a reasonable basis.

51. On February 26, 2016, after the market closed, the Company disclosed that it was unable to file its Annual Report on Form 10-K for the fiscal year ended December 31, 2015 within the prescribed time period without unreasonable effort or expense because the Company was "conducting an analysis of certain aspects of revenue recognition in Africa and China and any potential implications on [the Company's] evaluation of internal controls over financial reporting for the year ended December 31, 2015." The Company also stated, however, that its goal was still to file the Form 10-K within the fifteen-day extension period. The Company also disclosed that it had received a subpoena from the SEC on January 14, 2016 in connection with the previously disclosed formal SEC investigation which requested, among other things, "additional information related to sales of products and services to end-users in Africa, as well as revenue recognition relating to sales of products and services to end-users in Africa."

52. On this news, shares of Alere fell \$0.48 per share to close on February 29, 2016, the next trading day, at \$53.30 per share.

53. The above statements contained in ¶51 were false and/or misleading, as well as failed to disclose material adverse facts about the Company's business, operations, and prospects. Specifically, these statements were false and/or misleading statements and/or failed to disclose: (1) that the Company improperly recognized and reported revenue in violation of GAAP; (2) that, as a result, the Company's quarterly and annual SEC filings would be delayed;

(3) that, as a result of the foregoing, the Company's planned merger with Abbott Laboratories would be thrown into doubt; (4) that the Company lacked adequate internal controls over accounting and financial reporting; and (5) that, as a result of the foregoing, the Company's financial statements, as well as Defendants' statements about Alere's business, operations, and prospects, were false and misleading and/or lacked a reasonable basis.

54. On March 15, 2015, the company filed a current report on Form 8-K with the SEC. Therein, the Company disclosed that the Company would be unable to file its 2015 Form 10-K within the extension period because it was "continuing to conduct an analysis of certain aspects of the timing of revenue recognition, more specifically, revenue cutoff, in Africa and China for the years ended December 31, 2013, 2014 and 2015 (and each of the quarters in those annual periods)." The Company also disclosed that it "determined it was appropriate to expand its analysis of these aspects of the timing of revenue recognition in Africa and China to include the years ended December 31, 2013 and 2014 (and each of the quarters in those annual periods) and to determine whether a material weakness existed at December 31, 2015." Finally, the Company disclosed that on March 11, 2016, the Company received a grand jury subpoena from the United States Department of Justice "requiring the production of documents relating to, among other things, sales, sales practices and dealings with third-parties (including distributors and foreign governmental officials) in Africa, Asia and Latin America and other matters related to the U.S. Foreign Corrupt Practices Act."

55. On this news, Alere's stock price fell \$4.14 per share, or 9.2%, to close on March 15, 2016, at \$49.32 per share, on unusually heavy volume.

56. The above statements contained in ¶54 were false and/or misleading, as well as failed to disclose material adverse facts about the Company's business, operations, and

prospects. Specifically, these statements were false and/or misleading statements and/or failed to disclose: (1) that the Company improperly recognized and reported revenue in violation of GAAP; (2) that, as a result, the Company's quarterly and annual SEC filings would be delayed; (3) that, as a result of the foregoing, the Company's planned merger with Abbott Laboratories would be thrown into doubt; (4) that the Company lacked adequate internal controls over accounting and financial reporting; and (5) that, as a result of the foregoing, the Company's financial statements, as well as Defendants' statements about Alere's business, operations, and prospects, were false and misleading and/or lacked a reasonable basis.

Disclosures at the End of the Class Period

57. On April 20, 2016, the CEO of Abbott Laboratories, during the company's quarterly earnings conference call, was asked "on Alere, are you reaffirming your commitment to the transaction?" In response, the CEO would not affirm Abbott Laboratories' commitment to merge with Alere, stating:

I am going to be careful how I answer any questions about Alere, Mike, because as you know they've had delays filing their 10-K. We don't know when they'll file their proxy. We don't know when they're going to have a shareholder vote. So right now I'd say it's not appropriate for me to comment on Alere.

58. On this news, Alere's stock price fell \$6.11 per share, or 12.3%, to close at \$43.36 per share on April 20, 2016, on unusually heavy volume.

**ALERE'S VIOLATION OF GAAP RULES
IN ITS FINANCIAL STATEMENTS
FILED WITH THE SEC**

59. These financial statements and the statements about the Company's financial results were false and misleading, as such financial information was not prepared in conformity with GAAP, nor was the financial information a fair presentation of the Company's operations due to the Company's improper recording of revenue in violation of GAAP rules.

60. GAAP are those principles recognized by the accounting profession as the conventions, rules and procedures necessary to define accepted accounting practice at a particular time. Regulation S-X (17 C.F.R. § 210.4-01(a)(1)) states that financial statements filed with the SEC which are not prepared in compliance with GAAP are presumed to be misleading and inaccurate. Regulation S-X requires that interim financial statements must also comply with GAAP, with the exception that interim financial statements need not include disclosure which would be duplicative of disclosures accompanying annual financial statements. 17 C.F.R. § 210.10-01(a).

61. Given the Company's improper recordation of revenue, the Company announced financial results that were in violation of GAAP and the following principles:

(a) The principle that "interim financial reporting should be based upon the same accounting principles and practices used to prepare annual financial statements" was violated (APB No. 28, 10);

(b) The principle that "financial reporting should provide information that is useful to present to potential investors and creditors and other users in making rational investment, credit, and similar decisions" was violated (FASB Statement of Concepts No. 1, 34);

(c) The principle that "financial reporting should provide information about the economic resources of Alere, the claims to those resources, and effects of transactions, events, and circumstances that change resources and claims to those resources" was violated (FASB Statement of Concepts No. 1, 40);

(d) The principle that "financial reporting should provide information about Alere's financial performance during a period" was violated (FASB Statement of Concepts No. 1, 42);

(e) The principle that “financial reporting should provide information about how management of Alere has discharged its stewardship responsibility to owners (stockholders) for the use of Alere resources entrusted to it” was violated (FASB Statement of Concepts No. 1, 50);

(f) The principle that “financial reporting should be reliable in that it represents what it purports to represent” was violated (FASB Statement of Concepts No. 2, 58-59);

(g) The principle that “completeness, meaning that nothing is left out of the information that may be necessary to insure that it validly represents underlying events and conditions” was violated (FASB Statement of Concepts No. 2, 79); and

(h) The principle that “conservatism be used as a prudent reaction to uncertainty to try to ensure that uncertainties and risks inherent in business situations are adequately considered” was violated (FASB Statement of Concepts No. 2, 95).

62. The adverse information concealed by Defendants during the Class Period and detailed above was in violation of Item 303 of Regulation S-K under the federal securities law (17 C.F.R. §229.303).

CLASS ACTION ALLEGATIONS

63. Plaintiff brings this action as a class action pursuant to Federal Rule of Civil Procedure 23(a) and (b)(3) on behalf of a class, consisting of all those who purchased Alere’s securities between May 9, 2013 and April 20, 2016, inclusive (the “Class Period”) and who were damaged thereby (the “Class”). Excluded from the Class are Defendants, the officers and directors of the Company, at all relevant times, members of their immediate families and their legal representatives, heirs, successors or assigns and any entity in which Defendants have or had

a controlling interest.

64. The members of the Class are so numerous that joinder of all members is impracticable. Throughout the Class Period, Alere's securities were actively traded on the New York Stock Exchange (the "NYSE"). While the exact number of Class members is unknown to Plaintiff at this time and can only be ascertained through appropriate discovery, Plaintiff believes that there are hundreds or thousands of members in the proposed Class. Millions of Alere shares were traded publicly during the Class Period on the NYSE. As of November 4, 2015, Alere had 86,254,320 shares of common stock outstanding. Record owners and other members of the Class may be identified from records maintained by Alere or its transfer agent and may be notified of the pendency of this action by mail, using the form of notice similar to that customarily used in securities class actions.

65. Plaintiff's claims are typical of the claims of the members of the Class as all members of the Class are similarly affected by Defendants' wrongful conduct in violation of federal law that is complained of herein.

66. Plaintiff will fairly and adequately protect the interests of the members of the Class and has retained counsel competent and experienced in class and securities litigation.

67. Common questions of law and fact exist as to all members of the Class and predominate over any questions solely affecting individual members of the Class. Among the questions of law and fact common to the Class are:

(a) whether the federal securities laws were violated by Defendants' acts as alleged herein;

(b) whether statements made by Defendants to the investing public during the Class Period omitted and/or misrepresented material facts about the business, operations, and

prospects of Alere;

(c) whether Defendants acted with Scienter; and

(d) to what extent the members of the Class have sustained damages and the proper measure of damages.

68. A class action is superior to all other available methods for the fair and efficient adjudication of this controversy since joinder of all members is impracticable. Furthermore, as the damages suffered by individual Class members may be relatively small, the expense and burden of individual litigation makes it impossible for members of the Class to individually redress the wrongs done to them. There will be no difficulty in the management of this action as a class action.

UNDISCLOSED ADVERSE FACTS

69. The market for Alere's securities was open, well-developed and efficient at all relevant times. As a result of these materially false and/or misleading statements, and/or failures to disclose, Alere's securities traded at artificially inflated prices during the Class Period. Plaintiff and other members of the Class purchased or otherwise acquired Alere's securities relying upon the integrity of the market price of the Company's securities and market information relating to Alere, and have been damaged thereby.

70. During the Class Period, Defendants materially misled the investing public, thereby inflating the price of Alere's securities, by publicly issuing false and/or misleading statements and/or omitting to disclose material facts necessary to make Defendants' statements, as set forth herein, not false and/or misleading. Said statements and omissions were materially false and/or misleading in that they failed to disclose material adverse information and/or misrepresented the truth about Alere's business, operations, and prospects as alleged herein.

71. At all relevant times, the material misrepresentations and omissions particularized in this Complaint directly or proximately caused or were a substantial contributing cause of the damages sustained by Plaintiff and other members of the Class. As described herein, during the Class Period, Defendants made or caused to be made a series of materially false and/or misleading statements about Alere's financial well-being and prospects. These material misstatements and/or omissions had the cause and effect of creating in the market an unrealistically positive assessment of the Company and its financial well-being and prospects, thus causing the Company's securities to be overvalued and artificially inflated at all relevant times. Defendants' materially false and/or misleading statements during the Class Period resulted in Plaintiff and other members of the Class purchasing the Company's securities at artificially inflated prices, thus causing the damages complained of herein.

LOSS CAUSATION

72. Defendants' wrongful conduct, as alleged herein, directly and proximately caused the economic loss suffered by Plaintiff and the Class.

73. During the Class Period, Plaintiff and the Class purchased Alere's securities at artificially inflated prices and were damaged thereby. The price of the Company's securities significantly declined when the misrepresentations made to the market, and/or the information alleged herein to have been concealed from the market, and/or the effects thereof, were revealed, causing investors' losses.

SCIENTER ALLEGATIONS

74. As alleged herein, Defendants acted with scienter in that Defendants knew that the public documents and statements issued or disseminated in the name of the Company were materially false and/or misleading; knew that such statements or documents would be issued or

disseminated to the investing public; and knowingly and substantially participated or acquiesced in the issuance or dissemination of such statements or documents as primary violations of the federal securities laws. As set forth elsewhere herein in detail, Defendants, by virtue of their receipt of information reflecting the true facts regarding Alere, his/her control over, and/or receipt and/or modification of Alere's allegedly materially misleading misstatements and/or their associations with the Company which made them privy to confidential proprietary information concerning Alere, participated in the fraudulent scheme alleged herein.

**APPLICABILITY OF PRESUMPTION OF RELIANCE
(FRAUD-ON-THE-MARKET DOCTRINE)**

75. The market for Alere's securities was open, well-developed and efficient at all relevant times. As a result of the materially false and/or misleading statements and/or failures to disclose, Alere's securities traded at artificially inflated prices during the Class Period. On August 13, 2015, the Company's stock closed at a Class Period high of \$55.39 per share. Plaintiff and other members of the Class purchased or otherwise acquired the Company's securities relying upon the integrity of the market price of Alere's securities and market information relating to Alere, and have been damaged thereby.

76. During the Class Period, the artificial inflation of Alere's stock was caused by the material misrepresentations and/or omissions particularized in this Complaint causing the damages sustained by Plaintiff and other members of the Class. As described herein, during the Class Period, Defendants made or caused to be made a series of materially false and/or misleading statements about Alere's business, prospects, and operations. These material misstatements and/or omissions created an unrealistically positive assessment of Alere and its business, operations, and prospects, thus causing the price of the Company's securities to be artificially inflated at all relevant times, and when disclosed, negatively affected the value of the

Company stock. Defendants' materially false and/or misleading statements during the Class Period resulted in Plaintiff and other members of the Class purchasing the Company's securities at such artificially inflated prices, and each of them has been damaged as a result.

77. At all relevant times, the market for Alere's securities was an efficient market for the following reasons, among others:

(a) Alere stock met the requirements for listing, and was listed and actively traded on the NYSE, a highly efficient and automated market;

(b) As a regulated issuer, Alere filed periodic public reports with the SEC and/or the NYSE;

(c) Alere regularly communicated with public investors *via* established market communication mechanisms, including through regular dissemination of press releases on the national circuits of major newswire services and through other wide-ranging public disclosures, such as communications with the financial press and other similar reporting services; and/or

(d) Alere was followed by securities analysts employed by brokerage firms who wrote reports about the Company, and these reports were distributed to the sales force and certain customers of their respective brokerage firms. Each of these reports was publicly available and entered the public marketplace.

78. As a result of the foregoing, the market for Alere's securities promptly digested current information regarding Alere from all publicly available sources and reflected such information in Alere's stock price. Under these circumstances, all purchasers of Alere's securities during the Class Period suffered similar injury through their purchase of Alere's securities at artificially inflated prices and a presumption of reliance applies.

NO SAFE HARBOR

79. The statutory safe harbor provided for forward-looking statements under certain circumstances does not apply to any of the allegedly false statements pleaded in this Complaint. The statements alleged to be false and misleading herein all relate to then-existing facts and conditions. In addition, to the extent certain of the statements alleged to be false may be characterized as forward looking, they were not identified as “forward-looking statements” when made and there were no meaningful cautionary statements identifying important factors that could cause actual results to differ materially from those in the purportedly forward-looking statements. In the alternative, to the extent that the statutory safe harbor is determined to apply to any forward-looking statements pleaded herein, Defendants are liable for those false forward-looking statements because at the time each of those forward-looking statements was made, the speaker had actual knowledge that the forward-looking statement was materially false or misleading, and/or the forward-looking statement was authorized or approved by an executive officer of Alere who knew that the statement was false when made.

FIRST CLAIM
Violation of Section 10(b) of
The Exchange Act and Rule 10b-5
Promulgated Thereunder Against All Defendants

80. Plaintiff repeats and re-alleges each and every allegation contained above as if fully set forth herein.

81. During the Class Period, Defendants carried out a plan, scheme and course of conduct which was intended to and, throughout the Class Period, did: (i) deceive the investing public, including Plaintiff and other Class members, as alleged herein; and (ii) cause Plaintiff and other members of the Class to purchase Alere’s securities at artificially inflated prices. In furtherance of this unlawful scheme, plan and course of conduct, defendants, and each of them,

took the actions set forth herein.

82. Defendants (i) employed devices, schemes, and artifices to defraud; (ii) made untrue statements of material fact and/or omitted to state material facts necessary to make the statements not misleading; and (iii) engaged in acts, practices, and a course of business which operated as a fraud and deceit upon the purchasers of the Company's securities in an effort to maintain artificially high market prices for Alere's securities in violation of Section 10(b) of the Exchange Act and Rule 10b-5. All Defendants are sued either as primary participants in the wrongful and illegal conduct charged herein or as controlling persons as alleged below.

83. Defendants, individually and in concert, directly and indirectly, by the use, means or instrumentalities of interstate commerce and/or of the mails, engaged and participated in a continuous course of conduct to conceal adverse material information about Alere's financial well-being and prospects, as specified herein.

84. These defendants employed devices, schemes and artifices to defraud, while in possession of material adverse non-public information and engaged in acts, practices, and a course of conduct as alleged herein in an effort to assure investors of Alere's value and performance and continued substantial growth, which included the making of, or the participation in the making of, untrue statements of material facts and/or omitting to state material facts necessary in order to make the statements made about Alere and its business operations and future prospects in light of the circumstances under which they were made, not misleading, as set forth more particularly herein, and engaged in transactions, practices and a course of business which operated as a fraud and deceit upon the purchasers of the Company's securities during the Class Period.

85. Each of the Individual Defendants' primary liability, and controlling person

liability, arises from the following facts: (i) the Individual Defendants were high-level executives and/or directors at the Company during the Class Period and members of the Company's management team or had control thereof; (ii) each of these defendants, by virtue of their responsibilities and activities as a senior officer and/or director of the Company, was privy to and participated in the creation, development and reporting of the Company's internal budgets, plans, projections and/or reports; (iii) each of these defendants enjoyed significant personal contact and familiarity with the other defendants and was advised of, and had access to, other members of the Company's management team, internal reports and other data and information about the Company's finances, operations, and sales at all relevant times; and (iv) each of these defendants was aware of the Company's dissemination of information to the investing public which they knew and/or recklessly disregarded was materially false and misleading.

86. The defendants had actual knowledge of the misrepresentations and/or omissions of material facts set forth herein, or acted with reckless disregard for the truth in that they failed to ascertain and to disclose such facts, even though such facts were available to them. Such defendants' material misrepresentations and/or omissions were done knowingly or recklessly and for the purpose and effect of concealing Alere's financial well-being and prospects from the investing public and supporting the artificially inflated price of its securities. As demonstrated by Defendants' overstatements and/or misstatements of the Company's business, operations, financial well-being, and prospects throughout the Class Period, Defendants, if they did not have actual knowledge of the misrepresentations and/or omissions alleged, were reckless in failing to obtain such knowledge by deliberately refraining from taking those steps necessary to discover whether those statements were false or misleading.

87. As a result of the dissemination of the materially false and/or misleading

information and/or failure to disclose material facts, as set forth above, the market price of Alere's securities was artificially inflated during the Class Period. In ignorance of the fact that market prices of the Company's securities were artificially inflated, and relying directly or indirectly on the false and misleading statements made by Defendants, or upon the integrity of the market in which the securities trades, and/or in the absence of material adverse information that was known to or recklessly disregarded by Defendants, but not disclosed in public statements by Defendants during the Class Period, Plaintiff and the other members of the Class acquired Alere's securities during the Class Period at artificially high prices and were damaged thereby.

88. At the time of said misrepresentations and/or omissions, Plaintiff and other members of the Class were ignorant of their falsity, and believed them to be true. Had Plaintiff and the other members of the Class and the marketplace known the truth regarding the problems that Alere was experiencing, which were not disclosed by Defendants, Plaintiff and other members of the Class would not have purchased or otherwise acquired their Alere securities, or, if they had acquired such securities during the Class Period, they would not have done so at the artificially inflated prices which they paid.

89. By virtue of the foregoing, Defendants have violated Section 10(b) of the Exchange Act and Rule 10b-5 promulgated thereunder.

90. As a direct and proximate result of Defendants' wrongful conduct, Plaintiff and the other members of the Class suffered damages in connection with their respective purchases and sales of the Company's securities during the Class Period.

SECOND CLAIM
Violation of Section 20(a) of
The Exchange Act Against the Individual Defendants

91. Plaintiff repeats and re-alleges each and every allegation contained above as if

fully set forth herein.

92. The Individual Defendants acted as controlling persons of Alere within the meaning of Section 20(a) of the Exchange Act as alleged herein. By virtue of their high-level positions, and their ownership and contractual rights, participation in and/or awareness of the Company's operations and/or intimate knowledge of the false financial statements filed by the Company with the SEC and disseminated to the investing public, the Individual Defendants had the power to influence and control and did influence and control, directly or indirectly, the decision-making of the Company, including the content and dissemination of the various statements which Plaintiff contends are false and misleading. The Individual Defendants were provided with or had unlimited access to copies of the Company's reports, press releases, public filings and other statements alleged by Plaintiff to be misleading prior to and/or shortly after these statements were issued and had the ability to prevent the issuance of the statements or cause the statements to be corrected.

93. In particular, each of these Defendants had direct and supervisory involvement in the day-to-day operations of the Company and, therefore, is presumed to have had the power to control or influence the particular transactions giving rise to the securities violations as alleged herein, and exercised the same.

94. As set forth above, Alere and the Individual Defendants each violated Section 10(b) and Rule 10b-5 by their acts and/or omissions as alleged in this Complaint. By virtue of their positions as controlling persons, the Individual Defendants are liable pursuant to Section 20(a) of the Exchange Act. As a direct and proximate result of Defendants' wrongful conduct, Plaintiff and other members of the Class suffered damages in connection with their purchases of the Company's securities during the Class Period.

PRAYER FOR RELIEF

WHEREFORE, Plaintiff prays for relief and judgment, as follows:

- (a) Determining that this action is a proper class action under Rule 23 of the Federal Rules of Civil Procedure;
- (b) Awarding compensatory damages in favor of Plaintiff and the other Class members against all defendants, jointly and severally, for all damages sustained as a result of Defendants' wrongdoing, in an amount to be proven at trial, including interest thereon;
- (c) Awarding Plaintiff and the Class their reasonable costs and expenses incurred in this action, including counsel fees and expert fees; and
- (d) Such other and further relief as the Court may deem just and proper.

JURY TRIAL DEMANDED

Plaintiff hereby demands a trial by jury.

Dated: April 21, 2016

Respectfully Submitted,

BLOCK & LEVITON LLP

By: /s/ Jason M. Leviton
Jason Leviton (678331)
Steven P. Harte (667948)
155 Federal Street, Suite 400
Boston, Massachusetts 02110
Tel: (617) 398-5600
Fax: (617) 507-6020
jason@blockesq.com
steven@blockesq.com

GLANCY PRONGAY & MURRAY LLP

Lionel Z. Glancy
Robert V. Prongay
Lesley F. Portnoy
Charles H. Linehan
1925 Century Park East, Suite 2100
Los Angeles, CA 90067
Telephone: (310) 201-9150
Facsimile: (310) 201-9160
info@glancylaw.com

Attorneys for Plaintiff Judith Godinez